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Agricultural Ministers Approve Joint Plan

FL1805210889 Bridgetown CANA in English 1647 GMT 18 May 89

[Text] San Jose, Costa Rica, May 18, CANA—The ministers and secretaries of agriculture of the Central American isthmus, Mexico, and the Dominican Republic have approved a plan of joint action in support of agricultural reactivation and development for their area.

The plan was drawn up by the Inter-American Institute for Cooperation on Agriculture (IICA), with collaboration from the Council for Agricultural Cooperation in Central America, Mexico, Panama, and the Dominican Republic (Coreca) and other organizations of the Inter-Institutional Group for the Agricultural Sector (GISA).

It includes a strategy for reactivating agriculture, areas and programmes for joint action, an initial portfolio of regional agricultural projects, as well as a description of the institutional financial mechanisms that will be required for implementing the plan, IICA officials reported.

The plan of joint action was endorsed during the ninth regular meeting of the ministers of Coreca, held April 26 to 28 in San Jose, Costa Rica, concurrently with the thirty-sixth regular meeting of the International Regional Committee of Agricultural Health (CIRSA). The ministers and secretaries of agriculture resolved to instruct the Coreca Executive Committee, Technical Committee and Secretariat to take the actions necessary to begin executing the plan of joint action, and to solicit support from regional integration and economic development organizations.

The Coreca Secretariat was also requested to coordinate the efforts required for holding a meeting that would bring together the efforts required for the ministers and secretaries of agriculture and their counterparts responsible for Central American integration, with a view to raising the plan of joint action to the consideration of the latter.

The director general of IICA, Dr Martin E. Pinero, explained that the strategy for reactivation has four key elements. It sees the agricultural sector as the axis of a new development model; it is concerned with regional food security and rural poverty; it aims to strengthen national and regional institutions, as well as new social protagonists; and, finally, it promotes regional cooperation and integration.

Pinero added that the plan of action includes a series of projects related to 13 priority working areas, which come under the programmes for joint action, and which are, in effect, the instruments to be used for implementing the plan. "Agriculture is at a crossroads in Central America, Mexico, Panama and the Dominican Republic," he said. "The time has now come to move beyond the consensus that has been achieved as far as ideas are concerned, and to implement the joint actions that have been agreed upon."

In fact, the ministers and secretaries of agriculture approved a first package of 16 projects, which will be presented to a meeting of donors involved in the United Nations Special Plan for Economic Cooperation for Central America to be held in Geneva, Switzerland July 3 to 4.

Cuba

Reaction to U.S., OAS Objectives in Panama

FL1805153189 Havana Tele-Rebelde Network in Spanish 1138 GMT 18 May 89

[From "Hot Off the Press" section of "Morning Magazine" by Daniel Torres—live]

[Text] [Torres] With the approval of President George Bush, more U.S. forces continued arriving in Panama today, specifically at U.S. Howard Air Force Base located on one of the banks of the Panama Canal. It is a contingent composed of some 2,000 men who, according to remarks made by the President himself, are going to reinforce the large number of forces already at the U.S. base. Unofficial estimates indicate they amount to over 16,000.

I should say this arrival is taking place this morning in the middle of a strong reaction by the Panamanian people to an important OAS meeting held in Washington yesterday—at the Colombian Embassy in Washington. I should honestly say that the United States did not get away with what it wanted. On the other hand, it cannot be said that the OAS did not give solidarity support to the Panamanian Government or anything of the sort. One cannot even say that the OAS was at the stature of the new Latin American signs. It inconsistently walked over a borderline. The truth of the matter is that it faced U.S. pressures to an extent.

The OAS issued a statement that, even though it condemns the participation of General Manuel Antonio Noriega—it accuses him of a number of irregularities in Panama—the truth of the matter is that it created a three-member commission to travel to Panama in the next few hours to try to find negotiated solutions to the Panamanian conflict.

So you can have an idea of how inconsistent this OAS is; I am going to show you why. Salvadoran Foreign Minister Ricardo Acevedo told a television channel this morning that this resolution was so innocuous—this man was really furious because he wanted a straightforward and strong condemnation of Panama by the OAS—that even Panama had voted for it. Well, this is not exactly so. Panama voted in favor of one of the paragraphs because the resolution was voted on by paragraphs. There was a paragraph, that is actually the genesis of this matter which makes me believe that the OAS played it safe [preceding word in English], you know what I mean if you know about baseball. It simply played both sides. The continental organization was really committed to and very pressured by the United States. It was even expected that it would lean more over the United States. So, this OAS reaction could be considered a positive step within the continental context to a certain extent.

But as I said, a vote was made on a paragraph where they condemn what have been called irregularities of Gen Manuel Antonio Noriega. A condemnation of Panama's strongman was implied.

Regarding the rest, the commission was created and things simply went along in a somewhat conventional and orthodox way. It has been said that discussions were really sour, that they were held behind closed doors, and that the meeting lasted several hours because of opposing views of various Latin American countries.

Nevertheless, the OAS at no time condemned the U.S. intervention in Panamanian internal affairs. The OAS did not condemn the U.S. military presence, which has now been reinforced in Panamanian territory, despite a call made by Nicaragua to include a paragraph in an attempt to condemn the U.S. intervention and the Yankee military participation in the Panama Canal. This was defeated with a 20-2 vote. The resolution in general was also passed with 20 votes in favor and 2 against. Nicaragua and Panama voted against it.

For Panama's part, I believe this was a triumph because it did not get a strong condemnation by this continental organization. You know how inconsistent the OAS is. Those who are over 50 know the role it played against Cuba at a given time. It is true that the OAS has been changing as the Latin American situation has changed. Nevertheless, everything seems to indicate that OAS changes are out of sync with current Latin American signs.

This response is somewhat academic. It is within the OAS limits. I personally believe that this is a sign that we are experiencing other times. When OAS Secretary General Joao Baena Soares was interviewed yesterday, he was very careful to not make any comment that would attack Latin American countries. He even said that he simply chaired over the organization as OAS secretary but that the meeting was democratic and completely independent and that the foreign ministers were the ones who had to determine what they were going to do or not to do. No other OAS secretary would have taken this very intelligent stance at another time. I repeat, I believe that the OAS resolution itself, although it implicitly accuses Gen Manuel Antonio Noriega in some paragraphs, it simply makes a call for Latin American democracy. If it can be accused of something, it is the omission of more concrete accusations against the United States regarding the internal destabilization inside Panama by carrying obvious acts of interference in a country that is not inside of U.S. borders and, on the other hand, the U.S. military presence which has been increased and is aggressive in the Panama Canal zone.

I was telling you that there was an enormous response. Gen Manuel Antonio Noriega was interviewed. I have a new cable here. I know that Nelson Notario Castro is ready. Notario, we will be with you in a few minutes. I just wanted to note this. Noriega made interesting remarks to a French television station. He said his struggle was against the U.S. imperialism and that this struggle is not only of one man but of all the people. This is what he responded when he was asked if he was going to leave military power in Panama. He literally said: There is no reason for me to leave Panama. I absolutely deny the drug trafficking charges Washington has made against me. This is what Noriega said. He later characterized the regrettable accidents that occurred after the elections as differences among the opposition itself. As you know, they left several people wounded among the police force and the population in general in Panama.

According to observers, this interview will be carried in all Europe because the Panamanian story is in the center of the news. There are some questions about Panama leaving the Group of Eight on this OAS resolution. It definitely forms part of our continent's most important news.

We immediately go to Nelson Notario Castro in Panama City to get an idea of a stoppage that was called for by the civic opposition yesterday. News reports indicate that it had no success. To say it bluntly, it was a complete failure. We go immediately to Nelson. Good morning.

[Notario Castro, via telephone] Greetings Daniel Torres. Greetings to "Hot Off the Press" friends. This is Nelson Notario Castro reporting from Panama. Thank you Daniel for allowing me to report to the friends of this "Morning Magazine" section.

I can first tell you that yesterday's stoppage was a complete failure for those who engendered it—I can say those who engendered it because the members of the Civic Democratic Opposition Alliance [ADOC] were the parents of this stoppage. There was really no stoppage because practically 95 percent of the activities went on normally in the entire country: in industries, businesses, transportation, and services. Some businesses in some elegant neighborhoods alone were partially closed. That is, the country experienced a practically normal day. If I had not been told about some businesses in some exclusive neighborhoods, I would had said that everything was absolutely normal because everything seemed to be absolutely normal downtown.

Nevertheless, former presidential candidate Guillermo Endara and former vice president Arias Calderon for ADOC granted a news conference yesterday afternoon. They said everything was going well, that 85 percent of the population had complied with the stoppage. They admitted that everything was operating; that there was no stoppage of activities but a stoppage of consciences. It is a very ambiguous thing, Daniel. It is a vague term. They say it is a new kind of struggle. I do not know how an individual can stop its conscience and keep on working, if he can work well. I really do not understand. I think this is an excuse—we had already seen this—for their inability to paralyze the country, with their inability of involving businessmen in another venture that would have left them millions in loses and it would have taken industrialists to a terrible task because it would have also resulted in millions in loses.

This is what I have, Daniel Torres. Thank you.

Bush 'Satisfied' With Achievements at OAS

FL1905013689 Havana Television Service in Spanish 0000 GMT 19 May 89

[Text] For now, the United States considers its goal at the OAS meeting fulfilled. This comes after that hemispheric organization approved a resolution on Panama. Today, U.S. President George Bush said he feels satisfied with the OAS's decision and classified the final agreement as good.

After strong diplomatic pressures by Washington, the OAS approved a document that blames General Manuel Antonio Noriega for the grave events and abuses which occurred during the recent crisis and the Panamanian electoral process; this is exactly how it is stated in the text.

The original resolution, presented by Peru with the previous approval of nine other Latin American countries, does not include that paragraph. However, the project was debated behind closed doors, at the request of El Salvador, and after a prolonged session, the censure to the chief of the Panamanian Defense Force was added to the text.

The resolution exhorts all the states to abstain from any action which would violate the principle of nonintervention. Also, a tripartite commission—integrated by the foreign ministers of Guatemala, Ecuador, and Trinidad and Tobago—was charged with traveling to Panama to promote the urgent finding of solutions which would lead to national agreement.

OAS Commission's Job in Panama Not Easy

FL1905015789 Havana Television Service in Spanish 0000 GMT 19 May 89

[Report by correspondent Nelson Notario Castro from Panama City—recorded]

[Text] Panamanian Foreign Minister Jorge Eduardo Ritter said that the OAS commission which will arrive in Panama within the next few days will be there on an intermediary mission of good faith. The task that awaits the commission is not an easy one due to the complexity of the Panamanian situation.

In his exclusive statements to Panamanian national radio, Ritter acknowledged that the OAS commission will arrive in a time of political uncertainty for the country's future. The mission of the foreign ministers of Guatemala, Ecuador, and Trinidad and Tobago will be to find an agreement, to reconcile the parties, said Ritter.

He reiterated that this will not be an easy job, because besides internal problems, there are external ones: the economic aggression being suffered by Panama, an exaggerated U.S. military presence, and all the external factors which generated the crisis.

USSR No Longer Sending Weapons to Nicaragua

FL1805151789 Havana Radio Reloj Network in Spanish 1414 GMT 18 May 89

[Text] The USSR today confirmed that it stopped sending weapons to Nicaragua some time ago and it called on the United States to do the same and thus help contribute to a political solution to the Central American conflict. Tom Borlok, deputy chairman of the Latin America Department of the Soviet Foreign Ministry, said that to guarantee peace, it is necessary that everyone suspend the supply of weapons to the region.

Education Cooperation Accord Signed With USSR

FL1805173889 Havana Tele-Rebelde Network in Spanish 1100 GMT 18 May 89

[Text] A cooperation protocol between the Cuban Higher Education Ministry and the State Committee of Public Education of the USSR [name of state committee as heard] has been signed at the University of Havana rectorship. This marks the end of the second meeting of the joint commission of these two higher education organizations.

The protocol was signed by Viktor Ivanovich Subarev, vice chairman of the State Committee of Public Education of the USSR, and Rodolfo Alarcon, Cuban vice minister of higher education.

The document provides for the training of scientific-technical cadres and gives the fundamental guidelines for joint research projects between the two countries. It also provides for the training of broad profile engineers and computer training in higher education and analyzes the main guidelines of cooperation for the next 5-year period.

[Begin recording] [Subarev in Russian with simultaneous Spanish translation] We are sure that this document will give a new boost to our joint work. We have no doubts that the future work will be much more effective than it was in the past.

[Alarcon] Therefore, these annual meetings are for us an important way to make cooperation more and more effective and achieve greater results for our countries. [end recording]

China Confirms Qian's June Visit to Havana

FL1805193689 Havana Tele-Rebelde Network in Spanish 1700 GMT 18 May 89

[Text] A Chinese Government spokesman today confirmed that Chinese Foreign Minister Qian Qichen will pay an official visit to Ecuador, Cuba, and the United States from 2 to 16 June. The Chinese foreign minister will thus respond to invitations extended from those Latin American countries.

Qian Qichen's visit to Havana follows the trip Cuban Foreign Minister Isidoro Malmierca made to China last February, the first in the history of bilateral ties.

Risquet Meets Friendship Association Official

FL1805202589 Havana Tele-Rebelde Network in Spanish 1700 GMT 18 May 89

[Text] Jorge Risquet Valdes, member of the Politburo and secretary of the Central Committee of the Communist Party of Cuba [PCC], has held a fraternal meeting with Rashid Akhtarini, president of the Syria-Cuba Friendship Association and member of the Regional Command, supreme organ of the governing B'ath Party.

Risquet gave the visiting friend an extensive briefing on the principal tasks our party and people are undertaking to promote the construction of socialism and to overcome economic difficulties through the rectification process that has been in progress for the past few years.

The Syrian leader expressed his satisfaction with the great political, economic, and social achievements attained by Cuba under the leadership of the PCC and its highest leader, Fidel Castro. He also said the meetings held with Cuban leaders have been very productive.

'Work Meeting' Held With GDR Delegation

FL1805212689 Havana Tele-Rebelde Network in Spanish 1300 GMT 18 May 89

[Text] Commander of the Revolution Juan Almeida Bosque, member of the Communist Party of Cuba Politburo, has held a work meeting with Erich Mueckenberger, member of the Socialist Unity Party of Germany's Politburo and head of the visiting GDR delegation. Both officials preside over the control and review committees of their respective parties.

During the meeting, both parties discussed matters of interest related to the work done by these organizations. At the meeting, along with Almeida, were Omar Iser Mojena, member of the PCC Central Committee and vice chairman of the Party Control and Review Committee, and other officials.

Foreign Minister Meets With Mugabe

FL1805233589 Havana Radio Rebelde Network in Spanish 2318 GMT 18 May 89

[Text] Today, the president of Zimbabwe and the Nonaligned Movement, Robert Mugabe, received Cuban Foreign Minister Isidoro Malmierca to discuss, specifically, the Namibian situation.

In their meeting, Mugabe and Malmierca exchanged views about the situation in southwest Africa, Namibia in particular, and the application of UN Security Council Resolution 435 for the independence of Namibia.

According to sources in the Caribbean delegation, the two men also discussed the good development of bilateral relations between Zimbabwe and Cuba.

Later, Malmierca also met with the heads of the Palestinian, Iraqi, Guyanese, National African Congress, South African, and South-West African People's Organization [SWAPO] delegations.

These delegations are also participating in the Nonaligned Movement ministerial meeting being held in Harare, Zimbabwe.

Joint Commission To Resume Meeting 19 May

FL1905010789 Havana Television Service in Spanish 0000 GMT 19 May 89

[Text] Tomorrow, the Joint Cuba, Angola, South Africa Commission will continue its labors in Cahama in southern Angola. The meeting which began on 15 May in Ruacana was suspended after 16 hours of deliberation.

The delegations will continue to study the situation in northern Namibia to try and determine if the crisis which began in that region can be considered over. These disturbances affected the application of UN Security Council Resolution 435 which stipulates the procedures to be taken for the decolonization of Namibia.

CEMA Chambers of Commerce Meeting Ends

FL1805165689 Havana Tele-Rebelde Network in Spanish 1100 GMT 18 May 89

[Text] The conference of chiefs of international relations of chambers of commerce of CEMA member countries has ended with the signing of a final protocol. The protocol was signed by the heads of the delegations of Bulgaria, Hungary, GDR, Cuba, CSSR, Mongolia, Poland, Soviet Union, and Romania.

The conference dealt, among other subjects, with the meeting of businessmen of CEMA member countries and Latin America that will be held in Havana in November. The goal of this meeting will be to promote direct and active participation of business sectors in the discussions of the possibilities of developing business and economic projects among the parties.

The participation of the CEMA member countries and those of the Latin American Continent in the Seventh Havana International Fair, that will be held between 6 and 11 November in EXPOCUBA, was also analyzed.

Next Meeting Scheduled 3-4 Nov

FL1805175789 Havana Radio Reloj Network in Spanish 1429 GMT 18 May 89

[Text] A meeting of businessmen from CEMA and Latin American countries will be held in Havana from 3-4 November for the purpose of promoting trade and concrete economic projects. This was announced last night at the Cuban Chamber of Commerce at the conclusion of a conference of international relations directors of CEMA Chambers of Commerce. The participants also discussed their countries' participation in the Seventh International Havana Fair scheduled for 6-12 November at EXPOCUBA.

Gregorio Perdomo, director of international relations of the Cuban Chamber of Commerce, stressed that the conference fulfilled its goal of formulating recommendations for the next period with the signing of a joint protocol today between the nine participating countries.

Castro Speaks at Sancti Spiritus Medical School

FL1805160689 Havana Television Cubana Network in Spanish 0110 GMT 17 May 89

[Address by President Fidel Castro at the Sancti Spiritus Medical School theater on 5 May—recorded]

[Text] I am very happy to be at this meeting, just as I am happy about the fact that the party is giving all the required attention to the family doctor program. We are here among medical graduate students, family doctors, students, and professors, and I think they have listened with great interest to each one of the things that everyone has explained. I recall some of the international meetings on basic medicine that have been held in Cuba, and I have been able to appreciate the admiration—more than admiration, even amazement—of many foreign visitors regarding this institution.

We had no way of knowing how the population was going to receive the family doctor. We wondered what level of trust the population would have in the family doctors knowing they were recent graduates. That is why we first implemented the idea with 10 doctors in a polyclinic in the capital. For a year, we closely followed all the developments of that experiment. We then applied the program to the countryside, some farms, cooperatives, and mountains. Based on the new results, we gradually extended the program to the extent that now there are over 6,000 family doctors in the country. It is now a truly consolidated program.

However, the family doctor program was not created in isolation. A group of measures within the medical field were taken. In the last 6 or 7 years, over 50 important measures must have been taken. One of these important measures was the creation of the heart surgery institute. Another was supplying (?ultrasound) to all hospitals, and many more like this one. An important measure was also the new program for studying medicine, the organization of the medical sciences contingent, and the supply of books to all medical schools. There was a real shortage of books. We only had economic policy books, and other things, but the fundamental medical books had not been printed. I have only cited a few examples. The family doctor program has resulted in the creation of a new medical detachment, a new program, and a new specialization—general medicine [medicina general integral].

All these measures and efforts have noticeably increased and improved health services in the country. Today, our country holds a high place in the world because of its health record, and it is reaching the very top places.

Particularly in this field of primary health care, I am convinced that we have found the ideal system of primary health care. I would say that it is the most advanced system in the world, and we are just beginning. In a few years, the family doctor program will be in effect in the whole country 100 percent. In the future, all factories, schools, child care centers will be covered by the program.

As time goes by, the doctors will be increasingly experienced.

The idea of the family doctor is the kind of idea that ends up being much more promising than first conceived. We could see many of the advantages of having the family doctors. However, as the implementation of the program progressed, the initial concept has been enriched and perfected in these past few years, the first few years.

We have been able to observe, for instance, that the population accepted and trusted the family doctor. The social function of the doctor became evident. The concept of social medicine emerged. You can see that there are an infinite number of tasks in which the doctor plays an important role in the community. It is very hard to find a resident of a community that doesn't first go to the family doctor before going to the polyclinic. In fact, we saw this happen from the very beginning. He would see the specialist and when the specialist prescribed something, he went back to the family doctor and asked him about the specialist's diagnosis or suggestion.

So, the first big battle was winning the trust of the people; trust in the family doctor and trust in this institution. This has meant that virtually all the country's polyclinics have become teaching centers. It has meant that the quality of the polyclinics' personnel has improved extraordinarily. It has meant that the emergency room staff became free of the masses of people who went there, and so on. We don't know how many more new things will come up with this institution. The quality of the whole process went up.

In order to have an institution such as this one, you have to start years early. Not only do you have to train a doctor with depth and breadth, but you also have to train a doctor with a sense of solidarity and duty who is able to realize the sacred nature of his mission. He must be able to do what our doctors have done. They must be ready to go anywhere in Asia, Africa, and Latin America. I remember that when the first 1,000 were ready to graduate, we needed doctors in their last year of study to go to Nicaragua because they were asking us for more doctors over there. When all the students in their last year were asked—they numbered about 1,000—the whole 1,000 said they were willing to take on the mission.

This was also evidence of the character and quality of our young, of our students. There's no other country in the world where this kind of thing is possible. All this effort has enabled us to have many doctors, to have good doctors.

Selection became stricter with the contingent. It will have to be even more strict. Less people will enroll but they will have more aptitude. Unfortunately, fewer will enroll because this movement to train doctors has been so strong that no matter how extensive and ambitious our plans, there will come a time when we will have surplus of doctors. We are not there yet. We have 33,000, or rather, 31,000. We will have 34,000 this year. We will go as high as 75,000. In other words, we still need some 40,000. This includes the replacement doctors for the sabbatical year. We will apply this concept not only to doctors but also in other fields. We will do it with professors, teachers, and anyone else we can.

Therefore, our estimate is 75,000 doctors. These are possibilities. We have said 10,000 will be our contribution to the Third World, whose tragic situation we are all aware of. We have helped the world, but the world has also helped us. We have helped the mountain people, but the mountain people have also helped us. It makes me very happy to see hundreds of Havana students returning to the capital from Guantanamo Province, Sierra Maestra, Granma, Santiago, etc., because they learn a lot there. They learn and come back with a wealth of experience when they return to the capital. You should see how much our doctors learn when they go to a Third World country, how much they really come to appreciate what Cuba and the Revolution stand for. Those who were born after the beginning of the Revolution discover what capitalism means in the underdeveloped world, what the underdevelopment and terrible poverty afflicting these countries mean, what the horrible injustice those nations have to experience means.

When we help them, we help ourselves. Our internationalist doctors come back with more awareness, feeling more revolutionary. If our achievements in this field had been predicted years ago, they would have sounded like wild dreams. If in capitalist times the development officials had been told they would have a polyclinic, the dental clinic we visited this morning—that was really a sophisticated place! It even had a classroom. Twenty-eight children with their teacher, who gave them their lessons while one by one they were examined. They even got lunch and a snack!

Imagine if anyone had asked the development officials for something like this under capitalism. If they had been told that they would train doctors. Would anyone really have believed it? I say that one of the things that best expresses that spirit and capacity of the Revolution is this institution and this health field. Although half of our doctors were taken away from us, there is no Third World country with better health figures than Cuba. There are many rich developed countries that do not have the health figures Cuba has. We will not allow these achievements, this vanguard position to be snatched away from us. If we earned them starting with 3,000 doctors, what won't we be able to achieve with 50 or 60,000? I think that anyone can understand that.

We are not going to let go of these truly impressive successes, the progress we have achieved in this field. We will not go backwards. I feel we are going to make even more progress.

What will Sancti Spiritus look like in 10 years' time when all of you are specialists? When there are hundreds and hundreds of specialists? When the whole area is covered? When all the factories, schools, and child care centers are covered? When we have all the new experience, equipment, all these new pharmaceutical products, the new equipment we are devising or acquiring in full use?

These are the thoughts I wanted to share with you, comrades, on this occasion. I wanted to say how satisfied we are with this gathering. I wanted to thank you for your motivation, your successes, your effort, and to urge you all—professors, students, doctors, family doctors—to double your efforts and carry on so that in the not too distant future you will feel even more satisfied and happy about the health successes that the Revolution has wrought for the benefit of the people.

Veiga Greets More Internationalist Combatants

FL1805162189 Havana Tele-Rebelde Network in Spanish 1100 GMT 18 May 89

[Text] A new group of internationalists arrived in our fatherland last night. With the satisfaction of having fulfilled their duties, 149 combatants returned to our country. Roberto Veiga Menendez, member of the Communist Party of Cuba Politburo, and Division General Joaquin Mendez Cominches went to the airport to greet them. [Video shows soldiers stepping out of the aircraft and shaking hands with Veiga and men in military uniform.]

With this new group, over 8,000 combatants have returned to the fatherland since January. In this way, Cuba continues complying with the timetable for the withdrawal of troops from Angola.

In this contingent, 53 combatants bear the Cuito Cuanavale Victory Medal, 3 the Calixto Garcia Medal, and 35 the FAR [Revolutionary Armed Forces] Distinguished Service Award.

These 149 combatants, who have faithfully continued our history of struggle, will join new trenches with the same combativeness with which they faced the racist enemy and will continue our battle for development.

Speaks at Cacahual Ceremony

FL1905022789 Havana Television Service in Spanish 0000 GMT 19 May 89

[Text] A welcoming ceremony was given to a new group of internationalists at the Cacahual Mausoleum. There, next to the tombs that hold the remains of General Antonio Maceo and his aid Panchito Gomez Toro, the welcoming ceremony was held.

Present at the ceremony were Roberto Veiga, member of the Communist Party of Cuba Politburo, Division General Joaquin Mendez Cominche, and Brigade General Andres Carames Torres of the Ministry of the Interior.

The welcoming speech, on behalf of the mass organizations, was given by Isabel Crespo of the ANAP [National Association of Small Farmers] Directorate. The closing speech was given by Roberto Veiga.

[Begin Veiga recording] Fulfilling this mission in the brother People's Republic of Angola has been an unsubstitutable learning experience for the Cuban combatants who, in the roar of battle, on vigil in the dense jungle, and in the crude conditions of camp life, learned of the unselfishness and fighting spirit of the Angolan people, as well as the courage of the FAPLA [People's Armed Forces for the Liberation of Angola] soldiers. [end recording]

Lazo Speaks at Main Agrarian Reform Celebration

FL1805132289 Havana Television Service in Spanish 0000 GMT 18 May 89

[Text] Today, the main ceremony marking the 30th anniversary of the signing of the agrarian reform law was held at 4 April Plaza in El Caney de las Mercedes. In the afternoon hours, and as part of the commemorative activities, 120 of the nation's outstanding youths met with Communist Party of Cuba and government officials in the same place in which the general command of the Rebel Army was headquartered. This was also the site where the agrarian reform law was signed.

Esteban Lazo, member of the PCC Politburo, gave the closing speech of the ceremony.

[Begin Lazo recording] First of all, I want to tell you that the commander in chief specifically asked me to tell you that I am speaking to you here on his behalf. [applause] He said he would have liked very much to have been here at this celebration, and that it is only because of the accumulation of the many tasks he cannot put off, only because of this, that he is not sharing this activity with us. However, he said he feels as if he were with us. He also asked me to greet you on his behalf and to tell you, and all the farmers and agricultural workers of the nation, that he congratulates you on this great day. [applause]

It was the Revolution, led by our commander in chief, Fidel Castro, that ended all forms of exploitation of the peasants and agricultural workers and favored the changes that are seen today in our fields, and in the work and way of life of our country's rural population. We could list many original features, specific characteristics, of the first agrarian reform law, both in its formulation and its application.

However, the most important thing I would like to stress is that knowing how to adopt the appropriate policy in each case is one more demonstration of the creative character of the Cuban revolutionary process and the perfect understanding of the nation's specific conditions of our commander in chief, our beloved Comrade Fidel.

If we objectively analyze production during the 1958-1988 period, we see that it has developed successfully, although we are not at all satisfied with our achievements because we know we can and should do much more. But small sunspots cannot cover up the sun. To give you just a few examples, citrus production is 17 times more than it was, egg production is 8 times more, fertilizer production is 5 times more, and rice, vegetables, and potato crops have more than doubled. [end recording]

Camaguey Province Reaches Sugar Production Goal

FL1805181889 Havana Tele-Rebelde Network in Spanish 1100 GMT 18 May 89

[Report by Camaguey correspondent Mario Molina—recorded]

[Text] [Molina] Agro-industrial workers, with the support of the Camaguey people, have just achieved the main economic goal of the province for 1989, a commitment made with the commander in chief of the Revolution, a million metric tons of sugar. Camaguey continues with its harvest. This is why we have with us, Francisco Garcia Mas, delegate of the Ministry of Sugar Industry, who will talk to us about how this production success has been made possible.

[Garcia] The production of a million tons has required an extraordinary effort. It is in line with a commitment made by the province with our commander in chief during his historic visit in March 1987 when he outlined a number of economic and social goals for the province, the million tons of sugar being one of the main ones. This commitment has truly entailed quite a bit of effort because we first needed to have the cane to produce a million tons. At that time, the province was going through a terrible drought. Nevertheless, all the obstacles were overcome and Camaguey was able to get sugarcane to produce a million tons of sugar.

[Molina] So, sugar production continues?

[Garcia] We continue with the sugar production. Nine sugar mills are going to continue grinding until the goals set for this year's production are reached. Together with this, we are working hard in the rest of the cultural activities so that Camaguey can continue producing a million tons or more of sugar every year.

Santiago CTC Meets To Discuss 16th Congress

FL1805203089 Havana Radio Reloj Network in Spanish 1932 GMT 18 May 89

[Text] Assemblies for the discussion and study of the 16th Congress of the CTC [Central Organization of Cuban Trade Unions] are being held in Santiago de Cuba. This was stated by Faustin Alonzo, chief of the organization department of the provincial CTC. He said that of the over 6,000 planned assemblies, 5,400 have been held so far. This fulfills 90 percent of the plan.

Alonzo also said that at the discussion and analysis meetings for the 16th CTC congress, the workers of Santiago committed themselves to specific production tasks with the purpose of increasing efficiency.

Finished with this process are the Municipalities of Guama, Julio Antonio Mella, Zongo de la Malla, and San Luis. Meanwhile, the gastronomy and commerce unions of Cabecera are showing considerable delays.

Pedro Ross Tours Enterprises in Sancti Spiritus

FL1805210289 Havana Radio Reloj Network in Spanish 1956 GMT 18 May 89

[Text] Pedro Ross Leal, president of the organizing commission for the 16th CTC [Central Organization of Cuban Trade Unions] Congress, has toured Yaguajai Municipality in Sancti Spiritus Province.

In Cesar Ortena, also part of Sancti Spiritus, Ross, who is also a member of the Communist Party of Cuba Central Committee, talked with the workers who are building the Camilo Cienfuegos Monument and was interested in knowing about the project, as well as their commitment to finish it.

Later, Ross visited the first integral livestock center that is being built in Yaguajay. Here, he was given detailed information about the installation. The center is expected to be finished in 14 months. Ross also spoke with Ramon Balmaceda, director of the Quinto Congreso Livestock Enterprise of Yaguajay, who informed Ross about the future plans of the center which will produce meat and milk for the population.

Port Works in Cienfuegos Running Behind

FL1805221289 Havana Radio Reloj Network in Spanish 1941 GMT 18 May 89

[All figures as heard]

[Text] Between 1 January and 15 May, almost 62,000 tons of merchandise has not been moved at the Port of Cienfuegos, a figure equivalent to a month of operations in this sector. According to the press, Domingo Chinea, assistant director of port works, said that the enterprise had planned to transport some 348,000 tons in this work period. However, the port workers of Cienfuegos actually transported 206,000 tons of merchandise, which is 82 percent of the plan.

The main areas affected were the citrus and scrap iron supplies, while, so far this year, the arrival of container cargo ships [ships which bring their cargo in box-like containers] have also decreased.

Presently, there are some 512 containers on the docks which are destined to be used for the national economy. This means that a bigger effort should be made by every link in the chain to stabilize port works in that city.

More Tourists Visit During Winter Season

FL1805174789 Havana Tele-Rebelde Network in Spanish 1100 GMT 18 May 89

[Text] Over 106,000 people visited our country during the high international tourist winter season from December to April. This figure is 16.4 percent greater than the one registered during the same period last year. Canada is the country that brings the most tourists to Cuba. Also, people from the FRG and Spain represent a large number of tourists on our island. Winter tourists contributed $67,721,500 to the national economy. This is over $3 million more than the amount registered during the previous period.

* Soviet Ambassador on Trade, Perestroyka

32480132a Havana BOHEMIA in Spanish No 13, 31 Mar 89 pp 68-73

[Interview with Yuri Petrov, Soviet ambassador to Cuba, by Elsa Claro; date and place not given; first three paragraphs are editorial comment]

[Excerpts] It might be considered a formal, journalistic exercise to interview the Soviet ambassador to Cuba just before the visit to Cuba of Mikhail Gorbachev, the secretary general of the CPSU. Nevertheless, such an attitude would limit reaching a greater objective: to provide information, from a nearby source, on several aspects of contemporary life in Lenin's fatherland. Yuri Petrov, who is exercising his talents for the first time in diplomacy, has submerged himself in the Cuban situation, while keeping fresh and current on what is happening in his own country. Then he has been an interpreter and participant at the same time. Hence the value of his views on a macroprocess (please let me call it that) which he himself says—and as the secretary of the Central Committee of the CPSU has called it in various speeches and at various times—is complex and not only in terms of how broad it is.

Agreeing courteously to the request of BOHEMIA, he replied to a group of questions which may bring our Cuban readers a little closer to the realities facing the great Soviet people at present. We leave our questions, then, with the man we interviewed. [passage omitted]

[BOHEMIA] How would you evaluate the state of relations between Cuba and the USSR? What will happen in the near future regarding trade?

[Petrov] Without any exaggeration, relations between Cuba and the Soviet Union can be considered good, based on mutual respect and confidence, which fully reflect the spirit of authentic internationalism. The axis of these relations has been and continues to be the collaboration characterized by the equality of rights between the CPSU and the CPC [Communist Party of Cuba]. During the years since the Cuban revolution, we have gone through many interesting and useful experiences in this area. A regular and fruitful aspect of this relationship are meetings and interviews between the leaders of our parties, the exchange of working delegations, and bilateral consultations in the course of which positions are developed and adjusted regarding key questions. The affinity or broad similarity of view of the USSR and Cuba toward many international problems is a solid basis for collaboration in the world arena. Our countries have a common position in their fight for peace, for the reduction of international confrontation, and the establishment of a universal system of international security, based on an end to the arms race and liquidating nuclear, chemical, and other weapons of mass destruction. We agree that the process of disarmament is intimately linked to the solution of problems of development.

Our countries work together successfully in the UN and in other international bodies. We are pleased at the high level of cooperation between trade union, youth, women's, and other groups.

So positive an evaluation of the development of relations between Cuba and the USSR in no way means that there is no possibility for their future improvement. Ahead of us is an opportunity to accomplish a great deal. However, the essential aspect, as I see it, is that between our parties and peoples there is a political will and an agreement on the need not to stop but to continue advancing to achieve even greater results.

This also refers to trade between our countries, which provides a significant contribution to Soviet-Cuban collaboration. I would like to underline that such collaboration has a long-term, planned foundation, which ensures its progressive development and excludes any kind of improvisations. The prospects for our relations are defined in the program for the long-term development of economic, scientific, and technical collaboration between the Soviet Union and Cuba for the period until the year 2000. This program was contained in an agreement signed in November 1984, as well as in the concept for the development of economic relations between the USSR and Cuba for a period of 15-20 years. The agreement was reached on 20 May 1988. The principal positions contained in these significant documents will take concrete form in the course of the preparation of annual and 5-year programs. Before I consider the prospects for the development of our trade relations, I think that it would be worthwhile to direct our attention to the present situation in this area.

At present the USSR accounts for more than 70 percent of total Cuban trade. This proportion has increased by almost 50 times since 1960 and now amounts to more than 8 billion rubles.

Cuba imports from the USSR petroleum and other lubricants, metals, grain and certain kinds of food, fertilizers, wood and other raw materials, a variety of equipment and machinery, as well as popular consumption goods.

However, our trade relations are a two-way street with full rights in each direction. Today Cuba is in sixth place in trade with the USSR.

Supplies of Cuban sugar cover 30 percent of the demand in our country for this important product. Imports of Cuban nickel are of great importance for Soviet mechanical and nonferrous metallurigical industry. Cuban citrus fruit, fruit juices, and tobacco are sold on the Soviet market. The products of the young Cuban electronics industry are gaining in popularity.

And now regarding the prospects.

During the period from 1986 to 1990 the volume of trade between the USSR and Cuba should reach 45 billion rubles. This is 32 percent higher by comparison with the objectives of the previous 5-year plan. And this will be achieved with fixed prices for the principal products. Nevertheless, the trade relations between our countries are still not totally in balance, and for that reason Cuba receives the necessary credits. However, we are sure that in the future, with the improvement and strengthening of its own economy, the imbalance will be eliminated—and the basis for such an achievement already exists and will continue to develop. Referring to the structure of trade, I would like to underline the fact that, together with our Cuban colleagues, we intend to pay maximum attention to a group of measures aimed at satisfying consumer demand in our two countries and at resolving various social problems.

In general, this is the situation in the area of trade between our two countries. I would just like to draw your attention toward the fact that this is one of the components of a multifaceted system of economic, scientific, and technical collaboration and is closely linked to other aspects of the joint efforts which we are making with a view to raising the welfare of our peoples.

[BOHEMIA] What are the results of restructuring and what is hoped for from this process in the future? What kind of difficulties face the perestroika process?

[Petrov] Speaking of the assets side of perestroika, which began in April 1985, I would like to note that the Soviet Union has changed a great deal since then. Now it is different from what it was 4 years ago. In the country a new moral and psychological situation has been created, characterized by democratization, openness, criticism, demands, and an increasingly combative attitude on the part of the people. During this period a profound analysis has been made of the path followed by the country, and the orientation of activity by the party and the people has been defined for the next stages. Above all, emphasis has been placed on the implementation of radical economic reform and on improving the existing political system. This involves revitalizing the plenary power of the local government system and restructuring the party to liberate its potential as a political vanguard for society. In essence, all of that has started moving. We are witnessing the birth of a new and more dynamic society, inspired by ideals. Without any exaggeration it can be said that perestroika has moved the people and the country. It has had a positive impact on many international processes.

The election campaign provided vivid evidence of this. Certainly, for the first time in many years, it had an active, informal, and impetuous character. Today Soviet man will not accept a society without real power in the hands of the people, without full democracy, and without juridical guarantees. He cannot remain indifferent to what is happening in his republic, territory, and province. The role of the human factor has acquired a new dimension. People act in an emancipated and decisive way. The concepts of honesty and personal decency have been converted into the most highly considered values.

The 19th National Conference of the Communist Party has been turned into a political milestone of the highest importance for perestroika. It began a new stage, summarized the theoretical and organizing work carried on by the Central Committee of the CPSU, and prepared the concept for the reform of the political system.

It is worth pointing out that the political reform began with the restructuring of the party, as such. The support apparatus of the Central Committee of the CPSU has been reorganized and reduced, as has that of local organs of the party. Forms and methods of work are being reviewed and measures have been taken aimed at delineating the functions of elements of the party and the local Soviets.

At the same time, it is important to underline that perestroika signifies a completely new social and economic policy, whose axis is the orientation of the national economy toward solutions aimed at raising the welfare and bettering the living conditions of the Soviet people. It is man with his concerns and interests who is located at the center of all of our organizing and political work. It is precisely this view which corresponds to the essence of socialism and to Marxist teaching which was and continues to be the foundation of the changes under way. It is for that reason that the party attaches greater importance to an increase in economic efficiency, considering it its fundamental political task.

Turning to analyzing the process of economic reform, it can be stated correctly that it has reached a qualitatively new level and has succeeded in changing production relations, particularly with regard to what affects property. A new and complete economic calculation has been undertaken, and the practice of using contractors, leasing, and cooperatives is expanding individual labor activity. Work collectives enjoy significant autonomy, but at the same time their responsibility for the results of their work is increasing, and we have been able to obtain good results from this effort. We now have had an increase in national income and in the volume of industrial production for 2 consecutive years, due to the growth of labor productivity. We have achieved the accelerated development of industrial branches in Group "B." That is, in industry turning out products of popular consumption. Special attention has been paid to the development of priority areas of the national economy and, in the first place, to the needs of scientific and technical progress and to the reequipment of mechanical industry. In this area the increase in the index of production renovation was 3.1 percent in 1985 and 11.9 percent in 1988. Work is being done on developing the electronics industry and preparing the concept of a data processing society. We have planned to have the electrical energy and the chemical and petrochemical industry occupy advanced positions in this regard.

The results of 1988 demonstrate with all clarity that the national economy is acquiring a certain dynamism. For example, national income increased throughout the year by 4.4 percent, and labor productivity grew by 5.1 percent. This pace is the fastest in the last few years.

More attention is being paid to the growth of the branches of the economy which should satisfy the needs of everyone. These problems of growth include a solution of the food problem, the urgent supply of the market with quality industrial products, the construction of comfortable homes, and the improvement of medical attention and education. This is not a matter of political slogans. The most valuable aspect of this process is that perestroika is evolving from the area of projects, plans, and programs into practice. It is being shaped into concrete deeds.

For example, regarding the current 5-year plan, annual production of grain has increased by about 19 percent, compared to the figure recorded during the previous 5-year period. Meat production has increased by 15 percent. Milk and eggs production has increased by 9 percent. Production of the non-food sector has increased by more than 30 billion rubles, including light industry, which has increased by more than 10 billion rubles. The production of television sets, refrigerators, furniture, ready-made clothing and recorders has grown. The quality of our products is improving. In 1988 alone the increase in the value of domestic trade was more than 24 billion rubles. The construction of housing, kindergartens, hospitals, and schools has increased considerably.

To round out what I previously stated, I would say that perestroika as such and the reforms which in involves are picking up speed. They are directed toward one principal objective: to show the human features of socialism and to guarantee the substantive and rapid growth of the people's well being.

It is clear that we are not exaggerating the achievements, and we understand very well that we are still only on the first segment of the path. We have before us an immense field of action in all directions. As Mikhail S. Gorbachev emphasized some little while ago, the present slogan is to strength practical work and to have more concrete action. In this way we will have to act to ensure that the changes begun are irreversible, for the successful development of perestroika.

Regarding the second part of your question, I can tell you with complete frankness that the process of renovation is something which is very complicated and at times contradictory and that it does not always develop as we might wish.

There are plenty of people who wait and hope and who are not participating in the processes of restructuring. There are individuals who believe in vain that, after all, perestroika will stop and move backwards. There are some, although they are very few in number, who do not like the process of renovation and, therefore, intend to slow it down, little by little. Unfortunately, and we have to recognize this, the changes in social conscience and the transition from apathy, criticism and, perhaps, hypercritical attitudes and toward an active, creative, and constructive position are taking place very slowly.

Speaking of difficulties, we cannot ignore the phenomena of bureaucracy and formalism which are still felt with some force, among some of the people, above all through indifference. There are complaints—and they are not without foundation—about high prices, money grabbing merchants, and open speculation on the part of some members of cooperatives. Imbalances in the market as a result of the tense financial situation of the country and the insufficient production of goods and services exert a negative influence on the process of perestroika. We have not succeeded in putting basic construction in order. The number of unfinished public works is high. In 1988, compared with 1985, there was an increase of about 30 billion rubles in this industry. Approximately one-fifth of that total was paid to the workers in salaries, which has increased an already too high level of unsatisfied demand.

Unprofitable companies and organisms have losses which are still too high, amounting to about 11 billion rubles annually. It has still not been possible to eradicate the roots of social parasitism and egalitarianism. We have not succeeded in turning toward scientific and technical progress, toward saving resources, and toward raising the quality of production.

Naturally, we would like to have perestroika change all of that in an instant. Then we could say that we are putting an end to the phenomena of stagnation. However, we are far from reaching that goal.

Unfortunately, the impact of these things has been too great, and many problems have accumulated which we have to resolve now. It is necessary to awaken an immense wave of social energy capable of overcoming the force of inertia and the resistance of the past. We have to release the brakes, bring society into a course of dynamic development, and open the country to the broad path of progress and of renovation.

Under these conditions it is particularly important that the party, with the support of the communists and of all of the Soviet people, should evaluate the situation sensibly and speak openly and frankly of errors and difficulties. It is important that the party should seek real ways of eliminating deficiencies and improving the situation, through a broad exchange of opinions.

[BOHEMIA] Almost all of the socialist countries of Europe are carrying out reforms. In your view, are there common elements in this process?

[Petrov] In effect, at present changes are being implemented in almost all of the socialist countries, and not only in the European countries.

And are there common elements? I think so.

In the first place we are carrying on a search for paths which lead to social and economic development which will be more effective than in our countries. Their final objective is the rapid growth of the people's welfare and improvement of the political and moral climate of society. This does not involve abandoning the principles of socialism but rather improving the system and making it more efficient and attractive. In the second place the motive for our search is the full use of the intellectual potential of society, of the initiatives and creative ideas coming from the people through broad democracy and freedom of expression. In the third place there is also a common desire, through the medium of existing advantages and the mechanisms of centralized control, to find better economic methods which gave good results. These are based on the development of monetary and mercantile relations full economic planning, self-financing, and the autonomy of workers' collectives.

And finally, one of the most important factors which unite us is that the process of improving socialism is developing under the leadership of the communist and workers' parties, with the support and participation of a majority of the people. This will guarantee in a decisive way the achievement of those fixed objectives.

Together with the common features and focuses in different countries, there are many specific elements which are related to the level of development, historic and cultural traditions, and, finally, the geographic situation. And is it a bad thing that some people try to strengthen them? On the contrary, I am convinced that it is good.

It is precisely the variety and number of the focuses in terms of the problem of socialist construction which enrich the experience of world socialism and make it a more flexible and attractive system in the eyes of world public opinion.

It is probable that the task before us consists in extracting all of the best from what appears or has been accumulated by the international community or in applying it in practice, always taking into consideration the real conditions.

To conclude, I would like to wish all of the readers of BOHEMIA and all of the Cuban people peace and prosperity, as well as new successes and victories in the building of socialism and in carrying out the decisions made by the 3rd Congress of the Communist Party of Cuba.

Presenting Credentials

Yuri V. Petrov, ambassador extraordinary and plenipotentiary of the USSR to Cuba, was born in 1939 in Nizni Taguil, Sverdlovsk Province. From 1956 to 1959 he worked in one of the factories in the Ural Mountains. From 1959 to 1962 he served in the armed forces of the USSR. Afterwards, in 1966 he graduated from the Higher Polytechnical Institute of the Urals. He is a mechanical engineer by profession.

Beginning in 1967, he went into party work and was active in that area until 1988, when he was designated ambassador extraordinary and plenipotentiary of the USSR to Cuba.

During the years of his work in the CPSU he held the posts of first secretary of the CPSU in the city of Nizni Taguil, secretary of the CPSU of Sverdlovsk Province, vice chief of the Department of Party Organization of the Central Committee of the CPSU, and first secretary of the CPSU in Sverdlovsk Province. He has completed an advanced political education program. At the 27th Congress of the CPSU he was elected a member of the Central Committee of the party. He is a deputy of the Supreme Soviet of the USSR.

* 'Positive' Experimental Planning at Enterprise

32480130 Havana TRABAJADORES in Spanish
14 Apr 89 p 3

[Article by Jose Yanes]

[Text] For the first time, our enterprise's views on planning have been heard and respected, a visibly satisfied Medardo Ferrer Ferrer, director of the Medicinal Crop Enterprise in Villa Clara Province, told TRABAJADORES.

"Before," he said, "the province came and laid down the figures for us: so many caballerias [1 caballeria is equal to 13.4 hectares] of this, so many of that. We had to abide by 90 percent of those guidelines."

Ricardo Hernandez, head of Dolores Farm, which belongs to the enterprise, added:

"Sometimes we were given catastrophic figures and the enterprise had to abide by them, even if they made no sense."

And how did this substantial change in the concepts and concrete application of enterprise planning come about?

Experimental Planning

The Medicinal Crop Enterprise is 1 of 32 in the country chosen to experiment in continuous planning.

The purpose of the experiment, headed by the Economic Management and Planning System Committee, is to perfect working methods in this area. It essentially consists of having enterprises draft their own plan without waiting for official guideline figures, based on their own knowledge and potential as well as the workers' experience. Consequently, from the very first day of the year, they continuously have indicators to use in making projections and working.

"After we learned the goals and manner of proceeding," Medardo explained, "the enterprise management council, working with all areas, drafted preliminary figures for the plan, figures that were later discussed with all workers in order to incorporate their opinions."

As the conclusion of this process, the director of the Medicinal Crop Enterprise told us that in September 1988, at a time when no enterprise in Cuba even dreamed about having a plan for the following year, his did.

At the close of 1988, a conciliatory discussion took place with the province. During the first 10 days of March of this year, the guideline figures for the normal process were discussed.

The upshot was that the enterprise plan for 1989 coincided with the province on 98 percent of all plan indicators, signifying real agreement rather than passive acceptance.

"We settled the 2-percent difference by agreeing to plant a little more yucca," Leonides Urbay, chief of planning of Medicinal Crops, explained. Differences with the province were eliminated.

Achievements and Innovations

"I think that among the achievements and innovations of this process," Medardo observed, "is the fact that we listened to and abided by the farmers' and used the knowledge and experience of farm workers in drafting the plan.

"We achieved a compromise between agronomists and the experience of the farmers," Medardo said, "ensuring that both groups thoroughly discussed and shared technical knowledge and practical experience."

"People sitting behind desks frequently drafted planning for different types of crops using land not suited to them," Ricardo, head of Dolores Farm, said.

"Now," he continued, "on the basis of soil studies that we have done and in accordance with the opinions of workers and the experience of a lifetime spent working the land in different areas, we were able to define where it was best to plant each crop. Their opinions were listened to and respected."

"The province did its soil studies and all of that in order to accept our judgment," Medardo points out.

Exercising very good judgment, Ricardo weighed the fact that the board, the government and those setting forth guidelines will have a more objective view of things.

The only difficulty we detected at the Medicinal Crop Enterprise with respect to continuous planning was expressed by Ignacio Hernandez, general secretary of the trade union office, when he told us that there would be difficulty complying with the citrus crop plan due to a lack of oil for irrigation, very necessary now that the trees are blooming.

"Two brigades disagree with the approved plan of 115,000 quintals [1 quintal is equal to 46 kg]," Ignacio said.

Bautista Bilbao, deputy director of production, explained that due to a lack of oil, at least 20,000 quintals of citrus fruit will be lost.

He added that this factor had been discussed and necessarily taken into account, although he said they were aware it is a situational problem of the country for which suppliers are not responsible.

"When they see they cannot stick to the plan," Ignacio said, "they no longer have the same incentive."

Aside from problems for which solutions must be sought in the experimentation process, the conclusions of this work were given, along with his opinion, by Reemberto Quincoso Ramirez, secretary of the Medicinal Crop Party committee:

"I think this is a more correct way of planning because it works from the ground up. Now the plan is drafted based on those who know the land. I think this is the ideal planning formula for us.

"The other way to do it is from behind a desk, without seeing what happens in the enterprises," he concluded.

* Major Diseases, Mortality Rates Explained

32480124 Havana TRABAJADORES (Health Supplement) in Spanish 3 Apr 89

[Article by Lorenzo Herrera Leon]

[Text] In the something over 3 years of this decade that have already passed, our country has recorded approximately 0.5 million deaths, equivalent to one-fourth of the population of the capital or nearly all the inhabitants of a province such as Pinar del Rio or La Habana.

Based on age and sex, these deaths are grouped very differently than is the live population. In general, far more adults and older persons die than do young people and children. In other words, the risk of dying is relatively high immediately after birth, drops and becomes minimal between the ages of 5 and 15 and finally, rises again with age. In addition, males have a higher mortality rate than do females.

The causes of death are qualitatively different depending on the age of the deceased. The elderly typically die of degenerative diseases, including heart ailments, malignant tumors (cancer), diabetes and diseases of the circulatory system, which are responsible for a high number of cases in the 50-and-over group. Accidents occupy a preponderant place as the cause of premature death among young people.

In general, one can perceive a peculiar evolution of the mortality rate based on causes which can be summed up as follows: The trend moves from a relative predominance of infectious and parasitic diseases, most of which can be avoided by vaccination or hygiene campaigns, toward the supremacy, at a certain level of societal development, of noncontagious diseases (chronic-degenerative) corresponding to a stage of greater economic and social development.

In other words, the manner in which persons die (meaning the cause of death) is not the same for a highly developed country as it is for one in the Third World. In the former, one observes a predominance of chronic-degenerative diseases (heart-related, cancer, cerebral-vascular, and so on), which are difficult to fight, moreover, given the current level of medical science, while infectious and parasitic diseases have been eradicated or reduced to a very low degree of incidence.

Although our country is developing, it exhibits a level of health comparable to that of more economically advanced countries and a distribution of deaths following such a pattern. The figures in the table below eloquently bear this out.

Among the factors contributing to the appearance of chronic-degenerative diseases is aging of the human organism due to the physical deterioration of the elderly.

To this one must add a series of habits that have a noteworthy impact on this situation and whose effect is cumulative over the years, such as those associated with diet (excessive consumption of animal fats, particularly from pork), the undesirable habit of smoking, lack of physical activity, and so on, for they increase circulatory problems, cancer of the respiratory system (especially the lungs), and other ailments.

It is roughly at the age of 50 that these factors have the greatest impact on the population.

A number of partial studies done in our country overwhelmingly suggest this fact. To give but one example, if smoking were totally eliminated, the impact on the population would be such that of every 100 deaths caused by lung cancer, 83 of them would not occur!

Given this situation, a suitable individual contribution must be made to the collective health picture, since every individual is to a great extent responsible for it. It is not solely the concern of doctors or the health system, as some erroneously believe.

Fundamental changes must therefore be made in the lifestyle of individuals, in diet, for example. We must wage a fight against the sedentary lifestyle and the harmful habit of smoking so as to extend our life and make it healthier and more pleasant.

Percentage of Deaths Based on Age and Cause, Cuba, 1984

Age	Heart Disease	Malignant Tumors	Cerebral-Vascular Diseases	Accidents	Others	Total
Under 15	2.1	4.2	0.5	10.0	83.2	100.0
15-49	13.9	14.4	5.9	21.6	44.2	100.0
50 and over	34.5	21.9	11.9	3.1	28.6	100.0

Antigua and Barbuda

Election Case Hearing Ends; Judgment Reserved

FL1805211189 Bridgetown CANA in English
1805 GMT 18 May 89

[Text] St Johns, Antigua, May 18, CANA—The hearing of the first of a series of court cases challenging the conduct of the March 9 general elections in Antigua and Barbuda has ended, with Justice Albert Redhead reserving his judgment.

Legal sources said the judgment will be delivered later this month or early June.

Hearing of the petition filed by the opposition United National Democratic Party (UNDP) candidate for St John's City West, Donald Halstead, lasted for just over four weeks. Guyanese lawyer Dr Fenton Ramsahoye, who appeared on behalf of Halstead, spent an hour and a half with his summation while lawyers appearing on behalf of the respondents took three [words indistinct], the ruling Antigua Labour Party (ALP) candidate (represented by Rex Mckay Q.C.), the Supervisor of election Keithley Hill (represented by Lloyd Luckhoo, Q.C.) and the returning officer Hubert Henry (by Cosmos Phillip, Q.C.).

Another six cases relating to the elections are yet to be heard.

Bahamas

Tourism Ministry Launches Domestic Campaign

FL1805200089 Nassau Domestic Service in English
1700 GMT 18 May 89

[Excerpts] The domestic tourism campaign was officially launched by officials from the Ministry of Tourism and Travel Agents. On hand was the Deputy Prime Minister and Minister of Tourism, the Honorable Clement Maynard. Mr Maynard told representatives from Barclays Bank Visa Card, Bahama's heir in the Family Islands' Promotion Board, that domestic tourism is growing in the family islands. [passage omitted]

Barclays Bank Visa Card is now a partner of the campaign and according to its area manager, Mr John Kenning, the bank is very excited. He said that in this campaign, the Bahamian dollar is staying at home.

[Begin Kenning recording] I would simply like to say that Barclays is very proud to be associated with this domestic program. As a banker, I fully endorse it. We hear an awful lot these days about tight liquidity, liquidity crisis, and so forth, but with this program, Bahamians are taking their money; they're keeping it in the Bahamas; they're spending it with other Bahamians; and everybody is benefiting. The central banks are benefiting, all of us bankers will benefit because the money will stay in the Bahamas, and the economy will grow, and all of us will grow with it. [end recording].

Members have pledged their full commitment in making the campaign one of the most successful ever.

Dominican Republic

* BC Governor Delivers Annual Address

32480125a Santo Domingo EL CARIBE in Spanish
13 Apr 89 pp 8-9

[Speech given by the governor of the Central Bank, Dr Roberto Saladin, to the American Chamber of Commerce of the Dominican Republic in Santo Domingo on 12 April 1989]

[Excerpts]

Introduction

Once again I have come before you to fulfill what has over time become a tradition, whereby each year the governor of the Central Bank sets forth to this select audience his view of how the Dominican economy performed the previous year and of its short-term prospects, commenting in particular on the main facets of monetary and exchange-rate policy.

The invitation from the Honorable American Chamber of Commerce of the Dominican Republic is a source of particular satisfaction to me on this occasion because it will enable me not only to share with you some of my concerns about domestic economic developments but also to refer specifically to the Foreign Exchange Recovery System, which in my judgment is one of the major economic accomplishments of the past year and on whose development and strengthening will largely depend the nation's economic and social stability in the immediate future. [passage omitted]

In contrast to most Latin American countries, the Dominican Republic's trade balance, which is the most important item in the current account of the balance of payments, showed an improvement of around 19.4 percent ($170.6 million), as a result of a 25.2 percent rise in exports and of an import level similar to 1987's.

Another of the positive aspects of the country's economy in 1988 was the $145 million balance of payments surplus, gauged as the change in net international reserves, contrasting favorably with the $206 million deficit posted the year before.

Our performance in foreign-exchange earnings enabled the Central Bank to close its exchange transactions for the year with an increase of $74 million in gross reserves, as a result of earnings totaling $1.474 billion and expenditures of $1.4 billion, thus putting these reserves at $309 million at the close of 1988.

Lastly, I would like to refer to the much debated issue of the inflation rate for the year that has just ended. The consumer price index, the tool by which we gauge the rate, stood at 531.82 in 1988, yielding a cumulative annual inflation rate of 44.5 percent over the previous year. The index has been calculated in accordance with the methodology designed by the United Nations and applied by the Central Bank, which is the only institution that over the past 20 years has been recording in a continuous and orderly manner the prices of the goods and services that we Dominicans consume.

III. The Foreign Exchange Recovery System

1. Background, Objectives and Assessment of Performance

Let us now analyze the character of our current exchange system in light of the stabilizing effects that it has had on the Dominican economy.

Before getting into the details of the Foreign Exchange Recovery System and so that we duly understand the reason why it exists, I feel that I must refer to the background immediately prior to its establishment.

I need only remind this audience that on 12 November 1987 the Monetary Board approved a system of international payments based on a single, flexible exchange rate, with a foreign-exchange market divided into an official and a free market, each with its duly specified transaction-coverage area in terms of the source and use of the foreign exchange.

The system was the result of a consensus that the various economic sectors had reached vis-a-vis the president of the republic after several weeks of consultation.

We need not refer on this occasion to the types of transactions that took place in both segments of the market, nor to the sources of available foreign exchange to conduct these transactions, inasmuch as the country had a similar experience in 1985.

Today, I can tell you in retrospect that what the country experienced as of November 1987, after the implementation of the aforementioned system, was even more traumatic. The market operated amid turmoil, and agents interacted more in response to rumors, speculation and false expectations than to the real incentives of the economy itself.

The steady climb in the exchange rate certainly had adverse, disruptive effects on domestic prices and the direction of economic activity, becoming a sort of horseman of the apocalypse that constantly threatened the nation's economic, social and political stability.

The most significant characteristics of this market could be outlined as follows:

- Excessive volatility of the exchange rate, which did not stem from actual economic factors, combined with the absence of professional specialization on the part of most foreign-exchange traders, as well as the broad diversity of these traders, which prevented their real reorganization.
- Sudden increases in the exchange rate that constantly encouraged jumps in domestic prices and costs, thus leading to pressure for wage hikes and diverting financial resources from productive sectors to speculative activities.

As you will recall, in the beginning the exchange system operated regularly for several weeks on the basis of the unified exchange rate that the Central Bank set. It was set originally at 4.4 and 4.45 pesos to the dollar for purchase and sale, respectively, which were the rates on the nonbank market at that time, since the Central Bank's rates were lower.

To provide an idea of the behavior of that foreign-exchange market I should indicate that as of 1 December 1987 the exchange rate began an upward trend that by 10 February brought an increase of 92 points in the selling price, while the Central Bank's rate remained fixed at 4.99 pesos to the dollar until 12 April of 1988, inasmuch as our institution could not follow the sudden changes in the rate.

In an attempt to halt the rise in the exchange rate, the monetary authorities hammered out an agreement with the exchange banks on 11 February of that year under which the banks pledged to conduct their exchange transactions at preset rates. The transactions under this agreement began at 5.35 and 5.4 pesos to the dollar for purchase and sale, respectively, from which 5 points would be shaved each Monday until over a period of 90 days they reached the agreed upon level of 4.8 and 4.85 pesos to the dollar for purchase and sale.

As a result of this agreement with the exchange banks, the price of foreign exchange was lowered, thus narrowing the gap between the rates on the free market and the official market.

These positive effects lasted for about a month but vanished with the emergence of a black market in foreign exchange run by unauthorized traders at very high rates and, therefore, with bigger profit margins. This scuttled the agreement in mid-April of last year, touching off a steady rise in the exchange rate.

In light of this situation and owing to heavy pressure from exporters and other sectors that generate foreign exchange, the monetary authorities were forced more than once to increase the exchange rate on the official market, to 5.15 pesos to the dollar (sell) in April and to 6.35 in June, while the exchange rate on the free market continued its upward run, reaching 8.03 pesos to the dollar in June (sell) and with transactions as high as 8.4 to the dollar.

After countless meetings had ended in failure and after the Central Bank had put forth great efforts and made great sacrifices to forge a consensus with the defunct exchange banks and thus maintain a stable exchange rate that would insure the necessary inflow of foreign exchange so that the country's production machine could keep on running, the Monetary Board was forced to order the temporary closure of all the exchange banks established throughout the country by virtue of its first resolution, adopted on 23 June of last year, and later their permanent closure on 14 July 1988.

In describing this state of affairs, which fortunately we have been able to overcome by revamping the exchange system and with the support received at all times from the central government and the various sectors of national life, I recall a statement that I made during my address at last July's Seminar on Solutions to the Exchange Problem, an address that bespoke the uncertainty at the time. I quote:

"When all is said and done, this economy cannot tolerate an exchange rate like the one in June, and if the run-up in the rate had continued, only God knows what might have happened."

2. The New Exchange Order

In the aforementioned context the country's monetary authorities were forced to overhaul the entire exchange system in place at the time. To this end, after analyzing and weighing for several weeks the various possible exchange-policy options, they concluded that the most appropriate would be one that could guarantee a rational use of the foreign exchange that the national economy generates. They thus established the exchange system that we all know as the Foreign Exchange Recovery System.

Since it went into operation on 1 August 1988, the exchange transactions of the new system have been based on the principle that there should be total coverage, without delays, of foreign exchange for all of the country's overseas transactions as a result of its economic activities. This implies that all of the inflows and outflows of foreign exchange that the country generates must be administered by the Central Bank, which operates through the nation's commercial banks.

Commercial banks are the cornerstone of the Foreign Exchange Recovery System, to the extent that all overseas payment transactions are conducted through them, using the traditional available payment instruments, the feeling being that commercial banks are the only institutions capable of harnessing the foreign exchange that the economy generates.

What objective, then, have the monetary authorities pursued in introducing the new exchange system? The objective can be seen as having three sides, which are present in every administrative and regulatory exchange system:

- To prevent the outflow of foreign exchange that does not match payment for goods and services received by the country, in other words, that does not match a verifiable good or service from overseas;
- To see to it that all foreign exchange received by residents of the country as payment for goods and services they have furnished overseas is really recovered and centralized in the Central Bank, and
- To insure that the foreign exchange received by the country is really used in activities that promote the Dominican production machine.

Another factor that contributed to the selection of this new system, besides the use and earmarking of foreign exchange, was the Central Bank's need to recover once and for all "the other path" so that it could travel on both sides of the monetary highway; in other words, monetizing by buying dollars and demonetizing by selling them. We must acknowledge that this has been one of the most beneficial aspects of the Foreign Exchange Recovery System because it corrects the imbalance that was caused by an exchange system in which the Central Bank absorbed a large amount of foreign exchange and offered a limited amount for sale.

The new system has also made it possible to give back to the commercial banks their legal function as exclusive channels for exchange transactions, thus allowing for more transparent and streamlined operations. Operationally speaking, the foundation of this system is that all importers and other clients, without distinction as to the type of good or service they provide or the class or sector to which they belong, receive the same treatment when they apply to the Central Bank for foreign exchange, in accordance with the strict chronological order in which the applications are received and with the interested parties required to document their payment transactions in each instance.

What does this latter point mean? That the new system does not establish differences between the payment applications of the public sector and its branches and the applications of the private sector. Nor does it establish an order of priorities among types of goods. As far as the Central Bank is concerned, each and every one of the payments for imported goods and services receives and will receive the same treatment, based on the well-known FIFO (first in, first out) accounting system. Importers' applications for foreign exchange can thus be approved in due time and where needed.

In this regard, I must report that in the slightly more than 8 months that the Foreign Exchange Recovery System has been in operation, we have processed each and every one of the applications for foreign exchange in no more than 48 hours and we have met all of our priority international payment obligations.

Nevertheless, in order for this exchange system to preserve the stability that it has restored to foreign-trade transactions and the country's international commitments, all of the sectors that generate or handle foreign exchange, in other words, exporters, tourism in general, industrial and commercial free-trade zones, companies that remit foreign exchange, among others, must realize that they have an obligation and a duty to deliver foreign exchange to the Central Bank through the commercial banks.

I am convinced, gentlemen, that we Dominicans, both those residing and not residing in the country, produce enough foreign exchange not only to meet the demand of imported goods and services, to pay our oil bill and our external obligations, but also to maintain appropriate liquid reserves that will enable us to cope with any eventuality that the country may face.

Therefore, it must be a commitment, an obligation, a duty for all to exchange their foreign currency at the Central Bank through the commercial banks so that the nation's needs can be met.

3. Assessment of Performance

I would now like to assess the performance of the Foreign Exchange Recovery System, which as we all know, has been in operation for somewhat more than 8 months.

When the performance of a new exchange system is analyzed, the logical approach is to compare it with the previous system so as to determine its virtues or shortcomings and to assess whether the efforts put into its application are justified.

With this objective in mind, we will utilize the Central Bank's statistics on foreign-exchange earnings last year, which are detailed in the table below. We will separate the January-July period, when the floating exchange rate period was in effect, from the August-December period, which covers the first 5 months of the Foreign Exchange Recovery System.

Foreign Exchange Earnings 1988 (in millions of dollars)

Category	January-July	August-December	Increase
Exports	361.1	256.5	-104.6
Free-trade zones	62.3	67.6	5.3
Credit cards	26.8	29.4	2.6
Hotels and tourist lodgings	5.1	29.3	24.2
Casinos	1.0	1.3	0.3
Remittances	0.9	33.4	32.5
International lending	30.8	41.7	10.9
Others	124.1	174.4	50.3
Commercial banks	—	227.5	227.5
Total	612.1	861.1	249.0
Daily average	4.2	7.9	3.7

Although it is true that the periods cited are not exactly comparable, the figures clearly speak for themselves, inasmuch as during the last 5 months of the year $861 million was taken in, an average of $7.9 million a day, whereas in January-July the total inflow was just $612 million, a daily average of $4.2 million.

In 5 months (August-December) earnings rose by $249 million, boosting the daily average by $3.7 million in comparison to the first 7 months of the year (January-July).

This has enabled us to maintain an exchange-rate stability that contrasts starkly with the volatility and uncertainty that the previous system caused.

One incontrovertible piece of evidence that the Recovery system is working well is the fact that the categories of new earnings, such as hotels, remittances, and collections through the commercial banks, were up by $284 million over the January-July 1988 period. The smaller foreign-exchange earnings from merchandise exports from August to December are explained by the difference in the number of months in the two periods and by the seasonal nature of these earnings, which are concentrated mostly in the first half of the year.

If we now compare the foreign-exchange earnings from August to December 1988, when the system was in effect, with the earnings posted in August to December 1987, we see an appreciable rise of about $400 million, or 81 percent.

In conclusion, we can note in regard to our foreign-exchange earnings analysis that 1988 closed with an extraordinarily high level of international reserves, $309 million, which enabled the country to easily make its payments under the reciprocal credit agreements with the ALADI [Latin American Integration Association] member countries, which includes our oil bill with Venezuela, and to maintain liquid assets to cover forthcoming foreign-exchange requirements.

Moreover, during the first 3 months of this year these earnings stand at $420 million, according to preliminary figures.

As for outflows of foreign exchange during the months in which the Recovery system was in place in 1988, a comparative analysis is difficult because although all of the economy's foreign-exchange requirements can be met under this system, under the previous system of segmented markets, which was replaced on 31 July, the Central Bank restricted its payments of foreign exchange to the needs of the public sector and, depending on the circumstances, assigned foreign exchange to the private sector for the dual purpose of easing the pressure on the exchange rate and increasing the demonetization of pesos.

For the above reasons, which limit a comparison, I will mention some numbers that could reflect the efficiency of the Foreign Exchange Recovery System. I can tell you that from August to December 1988 the Central Bank received 34,615 applications for foreign exchange to cover overseas payments in the amount of $854 million. As of March of this year, the number of applications had risen to 58,748 in the amount of $1.372 billion. Of the aforementioned requests, 64 percent were approved in the form of letters of credit, drafts, and transfers, the remaining 36 percent being applications for import permits through reimbursements, which depending on the expiration date of the loan granted the importer, will turn into real pressure for payment.

All this means that the Central Bank has so far been able to meet 100 percent of the economy's foreign-exchange requirements, consistently approving the applications in less than the 72 hours established in the operational standards of the Foreign Exchange Recovery System as long as the applications are completed properly. It is for this reason that we are constantly emphasizing that it is a national priority to support and consolidate this Recovery System.

I would once again like to say to those who still harbor some hope of a return to the past that the Foreign Exchange Recovery System is an irreversible reality and that never again must we allow run-ups in the exchange rate to endanger the stability and the social peace of the Dominican Republic.

IV. The Dominican Economy's Prospects in 1989

The main challenge that we must face in this year of 1989 can be summarized in two words: combat inflation. To this end the Central Bank is prepared to concentrate all of the instruments at its disposal to try and eliminate this scourge that is ravaging the country's major social conglomerates.

Even though the rise in prices in the Dominican Republic in 1988 was about one-fourth of the average inflation rate in Latin America, our rate of 45 percent is too heavy a burden for a people who do not have a tradition of inflation. We must thus devote our every effort to achieving the greatest stability possible.

Our primary tool must be expanded cooperation between fiscal and monetary policy, always looking towards the objective of stability. One of the most important steps in this regard has been the creation of a fund in the Central Bank that is managed personally by his excellency the president of the republic to pay off the external debt of the central government and of certain public agencies, as defined by a scale of priorities.

According to this scale, the following qualify for payment: the debts owed to international lending agencies, the debts to development institutions, and the interest on obligations to international private banks, as well as certain debts during periods of disbursement that are used to finance priority projects and result in a positive flow of funds for the country. The proceeds for this fund, as we know, come from an exchange-rate commission that is applicable to most imported goods.

Similarly, the decision to make payments on the foreign debt and to pay for public sector imports at the official exchange rate, in other words, the elimination of the preferential rate for these transactions, helps greatly to control the money supply and to reduce the exchange losses of the Central Bank.

By bolstering these actions and by keeping the Central Bank's lending within limits that are much stricter than those that have been applied so far, we will be able to see to it that prices remain at reasonable levels, with an inflation rate that is lower in 1989 than in 1988.

Accordingly, we have set an inflation rate of no higher than 35 percent as our goal. This goal is subject, of course, to the preservation of the exchange stability that we have enjoyed so far, to the continuation of strict monetary discipline and to the elimination of the preferential rate that is applied to hydrocarbons imports or, alternatively, to the availability of other demonetization instruments.

From a macroeconomic standpoint we may wonder what the immediate future holds for our country.

Although this will certainly be a difficult year, since we are still mired in the foreign-trade crisis, an improvement over the 1988 performance is unquestionably on the horizon. If there is exchange-rate stability, if energy output recovers, if there is a suitable flow of financial resources and if the level of public investment is maintained, then the real gross domestic product could increase 3 percent in 1989. This increase would be brought about mainly by mining (owing to the production of ferronickel), government, industry, communications (the expansion program that CODETEL [Dominican Telephone Company] is undertaking), and construction.

Merchandise exports look to increase slightly, about 5 percent, with higher prices for sugar, coffee, tobacco, and ferronickel. Services are even more promising, with a substantial rise in tourism projected, from which income will reportedly exceed expenditures by 41 percent. Other items in the balance of payments with a positive impact are private remittances, foreign investment, and the disbursements of foreign loans.

We intend to pursue a restrictive credit policy for the Central Bank's funds. Nevertheless, to maintain the levels of public and private investment that are required for the growth of the gross domestic product, commercial banks will have to lend even more to production sectors than they did in 1988, when lending was up 24 percent.

As far as the exchange rate is concerned, our goal of the highest priority is to maintain the exchange-rate stability that we have had. So far this rate has reflected the cost of foreign exchange as a function of the economy's requirements.

I can also indicate that our country is servicing its debt as best it can, in spite of the difficulty in meeting this obligation in the manner that had originally been established. For this reason, our policy for foreign borrowing will continue to be quite selective.

In 1989 the monetary authorities envision implementing debt rescheduling measures, such as the restructuring of certain Central Bank debts, on some of which agreement could not be reached in 1988, and making up commercial backlogs as much as possible through transactions in Dominican pesos. They will also continue formal discussions with the international banking community, concentrating on revising the terms and conditions of the 25 February 1986 agreement. The purpose of this revision is to improve the maturities, grace periods, and interest rates agreed upon in 1986 so that they reflect the fresh gains in the recent negotiations conducted by other debtor countries. In keeping with this goal, it bears noting that our efforts will continue to aim at achieving a net positive flow with the multilateral development institutions.

An acceleration of the disbursement of contracted loans is considered to be of the highest priority, so that the funds that have been pledged by international and government institutions and that are pending disbursement, as well as the additional lending being negotiated, provide the foreign-exchange needed to meet overseas obligations in 1989.

Finally, I would like to recall that in my talk in this same hall on 16 March 1988 I said that the Dominican economy had a challenge that year: "To defeat pessimism." As a nation we have already met this challenge. We have overcome the shocking exchange-rate instability that hurt us during the first half of last year. We are on our way to overcoming the grave energy crisis that hurt all sectors of the national economy, especially manufacturing, and we have practically completed the process of straightening out the financial sector, which also suffered the consequences of exchange-rate instability.

In a year that the president of the Inter-American Development Bank predicted would be the worst in the 1980's, we posted growth of about 1 percent, when the gross domestic product of the region was up by just 0.7 percent.

"Let us count our blessings," as Dale Carnegie said. We have exchange-rate stability, and if we analyze the evolution of a number of Latin American countries, we can see that in 1988 most of them saw their currencies depreciate with respect to the dollar. Brazil, Argentina, Venezuela, Peru and Nicaragua are examples.

Far from seeing its exchange rate deteriorate, as happened in countries with more developed economies with greater resources, the Dominican Republic has succeeded in stabilizing its currency.

Therefore I say today that the challenge facing the Dominican economy in 1989 is the struggle for exchange-rate stability. Maintaining it must be the highest national priority, along with controlling inflation.

* BC Governor on Anti-Inflation Measures

32480125b Santo Domingo EL CARIBE in Spanish 13 Apr 89 pp 1, 4

[Report by Julio Cesar Malone]

[Text] The governor of the Central Bank yesterday called for abolishing the preferential rate of 5.15 Dominican pesos that is applicable to hydrocarbons imports, indicating that such a measure and others are indispensable to prevent inflation from exceeding 35 percent this year.

Dr Roberto Saladin also reported that he had presented President Joaquin Balaguer with a "scenario of alternatives" so that the preferential exchange rate could be abolished "in the short term."

He did not explain whether the elimination of the rate would in any way mean a change in the current structure of the costs and prices of gasoline and other petroleum derivatives.

In submitting the reports of the Central Government to the National Assembly last 27 February and in defending his performance in office last year, President Balaguer said that his administration was obliged to retain the gasoline subsidy "for God knows how long."

The president of the Dominican Petroleum Refinery (REFIDOMSA) has said repeatedly that fuel prices must be raised.

At present, as a result of the Foreign Exchange Recovery System, a dual exchange-rate system is in place in the country. One rate, 6.35 Dominican pesos, is for the imports of the private sector and government, and the other, 5.15, is for hydrocarbons and other imports of the public sector.

In a speech before the American Chamber of Commerce, the governor of the Central Bank said that the preferential exchange rate ought to be abolished or "alternatively, other instruments of demonetization ought to be made available."

He felt that these are indispensable conditions for controlling inflation this year.

Mr Saladin Selin also said that the preferential rate for paying the external debt and for public-sector imports must also be done away with. He indicated that such measures "help greatly to control the money supply and to reduce the exchange losses of the Central Bank."

The governor said that the goal of the current authorities is to control inflation this year at all costs so that the lower-income sectors do not feel its effects so hard.

"This goal is subject, of course, to the preservation of the exchange stability that we have enjoyed so far, to the continuation of strict monetary discipline and to the elimination of the preferential rate that is applied to hydrocarbons imports or, alternatively, to the availability of other demonetization instruments," said Saladin.

He asserted that the Central Bank is prepared to concentrate "all of the instruments at its disposal" to try and eliminate inflation, as he feels that reducing it is the main challenge facing the current authorities this year.

The increase in prices in the country during 1988 was about one-fourth of the average inflation rate in Latin America, he said.

He explained that the inflation rate was 45 percent in the country, which in his judgment "is too heavy a burden for a people who do not have a tradition of inflation."

He said that for this reason the authorities are determined to cut inflation this year, but he clarified that the primary tool to this end is to expand the coordination between fiscal and monetary policy, "always looking towards the objective of stability."

He emphasized the creation of the Special Fund for the Payment of the External Debt that has been opened in the Central Bank and is managed directly by President Balaguer, and he asserted that it is one of the most important steps towards coordinating fiscal and monetary policy.

"Similarly, the decision to make payments on the foreign debt and to pay for public sector imports at the official exchange rate, in other words, the elimination of the preferential rate for these transactions, helps greatly to control the money supply and to reduce the exchange losses of the Central Bank," he added.

He said that by bolstering these policies and keeping the Central Bank's lending within "stricter limits than have been applied so far," prices could be kept at "reasonable" levels this year.

He asserted that if there is exchange-rate stability, if energy output recovers, if there is suitable flow of financial resources and if the level of public investment is maintained, then the real gross domestic product could increase 3 percent this year.

This increase would be brought about mainly by mining (owing to the production of ferronickel), government, industry, communications (the expansion program that the Dominican Telephone Company is undertaking), and construction.

He also said that exports this year look to increase slightly, about 5 percent, with higher prices for sugar, coffee, tobacco, and ferronickel. Services are the most promising sector, tourism in particular, from which income will reportedly exceed expenditures by 41 percent.

He let it be known that the authorities intend to pursue a "restrictive" credit policy in making use of the Central Bank's resources but that to this end private commercial banks must increase their flow of lending to production sectors to insure growth in the gross domestic product and to maintain the levels of public and private investment.

* January 1989 Exports Reach $105 Million

32480125c Santo Domingo LISTIN DIARIO in Spanish 31 Mar 89 pp 1, 17

[Report by Jose Romero]

[Text] The country's exports hit $105.9 million in January, an increase of $34 million over the same month last year, the director of the Dominican Center for Export Development (CEDOPEX) reported yesterday.

Dr Jose Carlos Isaias indicated that the free-trade zones, which are included in the figure, made a significant contribution of more than $5 million, rising from $24 to $30 million between the two months.

In January 1988 the nation's exports stood at $71.8 million.

Isaias said that among traditional items, sugar and green coffee posted gains.

Agro-industrial exports were up 35 percent, or more than $ 1 million, hitting $3.2 million.

Among agro-industrial exports, the director mentioned canned pigeon peas, coconut milk, canned soups and stews, refrigerated or frozen fresh fish, canned yams, and preserves.

He also cited the pulp of the sapodilla tree, pineapple juice, poultry feed, chinola juice, crab meat and coconuts, among others.

Isaias stated that exports of handicrafts were up 362 percent in January.

He said that he hoped the trend would continue for the entire year.

* Foreign Debt Grows Despite Payments

32480116c Santo Domingo EL CARIBE in Spanish 22 Mar 89 pp 1, 4

[Article by Julio Cesar Malone]

[Excerpts] The governor of the Central Bank said yesterday in Amsterdam that the increase in interest rates and revaluations of currencies of industrialized countries render payment of the foreign debt even more difficult. He warned that the problem was endangering the political and social stability of Latin America.

Dr Roberto Saladin revealed that although the country paid over $340 million to its creditors last year (66 percent of its export revenue), far from dropping, the foreign debt increased by nearly $50 million.

He also noted that a certain "inflexibility" of creditor countries at the time of renegotiations or their indifference to appeals of debtor nations weakens the "authentically democratic" regimes of Latin America. "This obviously affects us and will affect everyone, rich or poor, northern or southern," he added.

In a speech at the Third Plenary Session of the Annual Assembly of Governors of the Inter-American Development Bank (IDB), he stated that at the beginning of last year the Dominican external debt was $3.795 billion.

During 1988 the Dominican Republic made payments of $341 million in "binding commitments", and by the end of the year the debt had rised to $3.844 billion. "The total external debt of the Dominican Republic at this date was four times greater than exports for the year", he added.

He said that the country "has exceeded the limit of our possibilities," which is why he favors following a new course in managing the global debt problem.

He said that as a result of this and in order to reduce the amount of the debt, the Dominican Government would promote investment in free-trade zones, agroindustry and tourism, with the goal of spurring economic activity in general.

He said that the Dominican Government, is "committed" to promoting "substancial changes" in the profile of the productive base through the development of free-trade zones, tourism and agroindustry and through a policy of export diversification. [passage omitted]

Saladin referred to a speech made by Joaquin Balaguer in Miami at the end of last year when he said that the countries of the Third World would face two basic challanges—to live and to eat—in the framework of their calls for better handling of the issue of the external debt.

Equally, he advocated "rapid changes" in the policies of multilateral financial organizations which have a favorable balance in their relations with the less developed world.

He said that some countries of Latin America and the Caribbean continue to have an adverse balance with the IDB at a time when other nations are looking to reduce their favorable balances "in a sensible manner."

He described the situation as worrisome because it comes at a time when changes to and an increase in the conditions for authorization of new credits are being proposed.

"Adding to these conditions will result in more favorable balances for the IDB such as occurred with other multilateral credit organizations, which is contrary to the principles on which this important bank was founded," he added.

He added that in this sense, the new president of the IDB, Enrique Iglesis, assumed his responsibilities at a difficult period for the region and the bank, but he is confident about his ability to negociate as necessary to reconcile the various positions.

"We must come together to thresh out news ways to reach the goals of growth and a more just distribution of the results of this growth which all Latin Americans aspire to with such hope," said Saladin.

He estimated that today Latin America has reached "adjustment exhaustion" after several large countries of the region applied all of the policies of adjustment which were required of them and six years later have seen no growth.

"1989 hopes for something more than the Baker Plan and something more that the Brady Plan. Latin America is hoping for a response which goes beyond the plans which have been sketched out; a more vigorous response from the industrialized countries to the large problem of the external debt," he said.

Haiti

Agriculture Minister, Dominican Counterpart Meet

FL1805155789 Port-au-Prince Radio Nationale in Creole 1300 GMT 17 May 89

[Text] Haiti's minister of agriculture and his Dominican counterpart will meet on the Haitian-Dominican border today, on Haitian territory in Malpasse and on Dominican territory in Jimani. This meeting, under the auspices of the UN Food and Agriculture Organization, will essentially discuss agricultural matters relating to the two countries.

In this connection, means of finding appropriate solutions to problems that could have repercussions on agriculture in Haiti will be envisioned, an Agriculture Ministry source here in Haiti said.

'Panic,' Arrests on La Gonave Island 16 May

FL1805165789 Port-au-Prince Radio Nationale in Creole 1300 GMT 17 May 89

[Report by La Gonave correspondent Ajax Michel]

[Text] Tuesday, 16 May 1989, was a day of general panic on La Gonave Island, especially in academic circles. Some 2,000-3,000 students took to the streets to demonstrate in solidarity with a fellow student, Reynald Charles, who is in Classe Moyen I [penultimate primary school class in the Haitian system] at the national school of Anse a Galets. Charles got into an argument with a traffic policeman, Corporal Emino Vilme, while the latter was in civilian clothing. The corporal certified that the student did not know he was a soldier. However, this did not stop his colleagues from grabbing the student and manhandling him until he bled from the nose and mouth. The student also informed us that after all the blows he was struck on his head and eyes, he could not see well out of his right eye. The student was released at around 1300, after the court issued a ruling on the matter. The court ruled the case out of court.

Tension then began to decrease in Anse a Galets. However, in the communal sections, tension continued to increase, for a rumor had begun circulating to the effect that the military had killed several students and teachers in Anse a Galets and that truckloads of soldiers were going all over the hills attacking other schools. This rumor reached a number of places, such as Dorval, Palmar, Nouvelle Cite, Maligue, Nan Mangot, Mare Sucrin, and many others. Parents rushed to pick up their children at school. Students fell, tearing their books and uniforms.

This is the second time this year that La Gonave has had such a panic.

At approximately 1500, the panic took another form, again in the town of Anse a Galets, where the Army began arresting and putting in jail everyone who had in his possession any kind of vehicle: cars, motorcycles, bicycles, even wheelbarrows. Everyone was picked up. Private and nongovernmental organizations were not even spared. For example, Pastor Harold Touayer, an American who has done much good work in the Nan Cafe area on La Gonave Island, had his vehicle confiscated. [Words indistinct] who ran and got it back for him. However, the pastor spent 2 or 3 hours in the barracks in Anse a Galets.

The authorities also seized our motorcycle. Since La Gonave has no public transportation, we are now in a bind. We don't know how we will be able to inform the nation.

This is Ajax Michel, Radio Nationale d'Haiti, La Gonave.

Some 10 Wounded in Champ de Mars Explosion

FL1805170789 Port-au-Prince Radio Metropole in French 1600 GMT 17 May 89

[Excerpts] [Passage omitted] Some 10 people were hurt, some of them seriously, as the result of an explosion last night on the Champ de Mars during a patriotic vigil. The explosion occurred while Scorpio [a dance band] was playing at the Occide Jeanty bandstand.

According to a hospital source, some 10 people were hurt. According to several witnesses—several different people who live in the area— even more people were hurt in the explosion. These same sources claim that people were also killed in the explosion. [passage omitted] The incident occurred at approximately 2230.

We also point out that shooting was heard in different parts of the capital last night. Many families panicked. They were very worried.

Also, soldiers clad in olive green were conducting searches in different parts of the capital, such as in Delmas and many other areas. [passage omitted]

New Information Minister Visits Agencies

FL1805170889 Port-au-Prince Radio Nationale in French 1700 GMT 17 May 89

[Text] Yesterday the new information minister, Mrs Rosemarie Nazon, paid courtesy visits to RTNH [Haitian National Radio and Television], the newspaper L'UNION, the national archives, the national library, the national presses, the national theater, and Mupanah [the national museum]. According to a press release from the Directorate of Information of the Ministry of Information and Coordination, the new minister's visits are part of her policy of open dialogue and direct contact with the agencies falling under the supervision of this ministry. The aim of the policy is to have these agencies provide more effective services to the community.

This press release also announces that Mrs Rosemarie Nazon is planning to pay courtesy visits to the other media in Port-au-Prince and provincial towns.

City Hall Road Employees Resume Work

FL1805155989 Port-au-Prince Radio Nationale in Creole 1700 GMT 17 May 89

[Excerpts] The employees of the Roads and Thoroughfares Department of Port-au-Prince City Hall resumed work today, 17 May. [passage omitted] Some of these employees whom we talked to on 17 May in the courtyard at City Hall told us that a Department of Interior official had gone to talk to them at around noon on Tuesday 16 May. This official asked them to go back to work and told them they would get the raise this month.

The workers have gone back to work. However, they say that if they do not get the raise in their May paychecks they will go back on strike more vehemently than ever. [passage omitted]

Trinidad and Tobago

Employment Termination Bill Passed in Senate

FL1805182089 Bridgetown CANA in English 1557 GMT 18 May 89

[Text] Port-of-Spain, Trinidad, May 18, CANA—Trinidad and Tobago Senate has passed a Voluntary Termination of Employment Plan (VTEP) bill, which seeks to cut back the more than 65,000-strong public service sector through voluntary retrenchment. The bill had attracted a great deal of critisism from both opposition and independant senators, with one concern being the impact the plan would have on education.

But on the final day of debate, last Tuesday, Education Minister Clive Pantin sought to allay fears and cautioned against exaggerating the situation, arguing that he did not think teachers would move "en masse" to take up VTEP. Pantin also claimed that there were a lot of "burnt-out" teachers at the secondary school level who should be allowed to leave the service so young enthusiastic persons could take over.

His statement was in contrast to those made at the last sitting of the chamber, where independent senators such as Lousie Horne expressed concerns about the loss of "experienced" teachers through VTEP, to be replaced by young and inexperienced persons.

Pantin said he "cannot even anticipate" a drop in the student-teacher ratio at secondary schools but said this could be done at the primary level where the ratio of 1:25 as of now would be changed to 1:30 in the future. He noted that in Jamaica the ratio was 1:42/45.

When Senator Horne raised the question of the literacy level of Jamaica he cautioned her against exaggerating this country's literacy level, going on to point out that in 1987, 2,700 primary school students, or ten per cent of those sitting common entrance, got zero on the essay composition test, which his government had reintroduced after the test was killed off by the former administration. He added that his government in 1988 lowered this figure to 859.

Cardenas, Deputies Condemn Communique on Panama

PA1905033989 Mexico City EL DIA in Spanish 16 May 89 p 3

[Report by Armando Cruz, Lorenzo Delfin, and Ricardo Hernandez]

[Text] Government Secretary Fernando Gutierrez Barrios has said Mexico's position on the Panamanian political conflict is in no way an interventionist position. Gutierrez made this statement during an interview following a breakfast at the Los Pinos official residence on the occasion of Teacher's Day.

The government minister said that in the communique issued by the Foreign Relations Secretariat last Sunday, Mexico objectively states its position on the incidents that have taken place in Panama.

Meanwhile, PRD [Party of the Democratic Revolution] leader Cuauhtemoc Cardenas Solorzano said during a tour of Morelia, Michoacan State, that the PRD demands an end to foreign intervention in Panama as well as the withdrawal of U.S. troops from that country. He said the presence of U.S. troops seriously threatens Panama's sovereignty.

Cardenas added that the government should not condemn the election fraud in Panama, since he does not forget that the biggest election fraud in Mexico's history was committed on 6 July, something the people do not forget.

Meanwhile, Deputies Jarmila Olmedo Dobrovolny (PRI) [Institutional Revolutionary Party] and Hector Ramirez Cuellar (PPS) [Popular Socialist Party] as well as Mexico City Senator Porfirio Munoz Ledo spoke against the Mexican Foreign Relations Secretariat's communique, which criticizes the conduct of General Manuel Antonio Noriega.

Only the Panamanian people can criticize Noriega; Mexico cannot criticize any foreign official, much less through the Foreign Secretariat, Ramirez Cuellar said.

Jarmila Olmedo said: "We cannot become judges of what is good or bad for Panama; we have to be very careful so that our support for the Panamanian people is not misinterpreted as intervention."

Olmedo said criticizing other countries "violates our principles. I do not know if the Foreign Relations Secretariat's communique was a mistake, but we must follow the guidelines observed by Mexico for many years, which are based on the Estrada Doctrine."

Moreover, Senator Munoz Ledo described the communique as "the most indignant act committed by Mexico in its entire history. The theory and practice of nonintervention tell us that we should not criticize any government; we should not criticize a government, although we can criticize an individual," he said.

Hector Ramirez Cuellar said the Mexican Foreign Relations Secretariat's communique "is serious because it breaks a Mexican tradition, that of nonintervention. When the government criticized the conduct of General Manuel Antonio Noriega, it intervened in Panama's internal affairs." In this regard, Ramirez Cuellar said "only the Panamanian people can say if Noriega has been discredited."

Likewise, Hector Delgado, press secretary of the PFCRN [Cardenist Front for National Reconstruction Party], condemned the policy of Foreign Relations Secretary Fernando Solana, who is meddling in the internal affairs of other countries, thereby disregarding Mexico's traditional policy of respect for self-determination.

* Hermosillo Mayor Tied to Vote Fraud, Drugs

* Linked to Trafficker Figueroa

32480135a Mexico City PROCESO in Spanish No 649 10 Apr 89 pp 14-17

[Article by Elias Chavez]

[Text] Hermosillo, Sonora—The smell told the story. Another three decaying bodies were found in Agua Prieta on 1 April at the bottom of a well by agents of the DEA [Drug Enforcement Administration] and of the Office of the Attorney General of the Republic. And immediately the Mexican police turned to their walkie-talkies.

They told their chiefs: "The number of dead is up to 12." The cause of the massacre was narcotics trafficking.

They reported in code, as the boss of "Operacion Manitas" [Operation Handyman] communicated in code on 6 July 1988 here in Hermosillo.

"R-1" asked: "Why do they not act?" This was heard on the frequency of the state judicial police.

The reply was: "There are children with them."

"R-1" ordered: "Go ahead!" And cadets from the Sonora Police Academy dressed in plain clothes moved in, together with state judicial police, to rob and destroy ballot boxes.

In the course of "Operation Handyman" cadets of the Police Academy, in addition to robbing ballot boxes, obtained thousands of false voter registration cards and went to polling booths to vote several times for Carlos Robles Loustaunau, also known as "Calolo," then candidate and now mayor of Hermosillo.

During "Operation Handyman" leaders of the National Action Party [PAN] succeeded in tuning in to the radio telephone frequency of the judicial police and recorded the conversations between "R-1" and "M-2," who carried out his orders. They identified the voices.

The voice of "M-2" corresponded to the voice of Dr Guillermo Sotelo Cruz, a protege of Calolo and director of the Police Academy. He resigned from that position on 20 December 1988 and was arrested and sent to prison on 12 March 1989 for the crimes of possession and trafficking in cocaine.

Sotelo Cruz is also related to Sostenes Valenzuela Miller, the present state attorney general. He is the former mayor of Cajeme and gave Sotelo Cruz his support when the latter was director of the Police Institute in Ciudad Obregon. Subsequently, when he was state attorney general, he supported Sotelo Cruz in the Directorate of the Police Academy.

The voice of "R-1" corresponded precisely to that of Carlos Robles, "Calolo," who, before being mayor of Hermosillo, was state attorney general and federal deputy for Xochimilco, in Mexico City, thanks to the support given him by Arturo "El Negro" Durazo, director of police and traffic of the Federal District of Mexico.

The tangled web of relationships between politicians, narcotics traffickers, and police began to be uncovered in May 1988, when agents of the DEA arrested Jaime Figueroa Soto in Tucson, Arizona. He is one of the Mafia bosses, an associate of Caro Quintero, whom Carlos Robles Loustaunau, then attorney general, allowed to go free 2 years previously. This is the story.

On 29 October 1985, at 0530, the municipal police of Hermosillo received a complaint: at 28 Calle Sahuaripa several persons were creating a disturbance and firing guns.

To deal with the three troublemakers, more than 30 people had to go to the address mentioned above, including preventive and judicial police. When they were surrounded, the rowdies decided to surrender. The police took from them two .45 caliber pistols, eight live cartridges, and five shells, in addition to a large amount of money in Mexican pesos and in U.S. dollars.

The three troublemakers gave false names to Mario Canizales del Cid, an agent of the federal public prosecutor. He began handling the case, not imagining that among the detainees was Figueroa Soto, who was wanted by the police in Mexico as well as in the United States. Several orders of arrest were outstanding against him, the earliest of which was issued on 18 July 1977 by the Court in Mazatlan, Sinaloa, where he was wanted under Case 70/77 for crimes against the public health.

In the course of the morning statements were taken from the detainees. They said that they had been drinking liquor and, under the influence of the alcohol, they had fired into the air. They explained that they had a great deal of money because they were cattlemen and they carried arms for their personal security.

However, the deception became clear when several telephone calls were received from the state Office of the Attorney General. They asked for three persons whose names did not appear on the list of detainees. It was almost noon when another telephone call from the Office of the Attorney General established the identity of Jaime Figueroa Soto, the most important detainee. A few minutes later a final telephone call ended the affair.

Mario Canizales admitted: "Jaime Figueroa Soto was released on the order of the Office of the Attorney General, and automatically that disposed of the matter."

From Hermosillo to Tucson

Figueroa Soto left the Police Department at 1515 hours. In front of the building about 20 people were waiting for him in several expensive automobiles. He got into one of them, and all of the others followed him in a caravan, heading South on the Periferico Poniente [Western Peripheral Road].

Nothing more was known of Figueroa Soto until 25 May 1988 when he was arrested in Tucson, accused of traffic and possession of marijuana. When they arrested him, the police confiscated more than $20 million in automobiles, real estate, and weapons.

The U.S. authorities said that Figueroa Soto, who had been under investigation for more than 4 years, was "the leader of one of the most violent organizations involved in narcotics trafficking."

Figueroa Soto was arrested when Carlos Robles Loustaunau was no longer state attorney general of Sonora and was campaigning for election as mayor of Hermosillo.

Several community organizations, including the National Union of Fathers of Families of Sonora, demanded clarification of why Figueroa Soto had been released 2 and ½ years earlier, when the candidate for mayor of Hermosillo was state attorney general of Sonora.

Hundreds of citizens even signed and published statements in which they demanded "a complete clarification to the people of Sonora regarding the behavior of Dr Carlos Robles Loustaunau as state attorney general of Sonora, particularly since he now aspires to govern our capital, as a PRI [Institutional Revolutionary Party] candidate for mayor."

In defense of Calolo, Roberto Soto Payan, his successor as state attorney general, praised "the decisive performance of Dr Carlos Robles Loustaunau in dealing with the problem of narcotics trafficking when he was in this office."

And "Calolo" himself said on 26 June 1988: "I have clean hands and a clear conscience. My public and private life is open to the view of the people of Hermosillo for them to investigate. I can look straight ahead and with pride at my children, my family, and my fellow citizens."

Regarding his alleged intervention in October 1985 to let Jaime Figueroa Soto go free, the PRI candidate for the office of mayor of Hermosillo said: "This story is a dirty and ignoble attack and an infamous lie."

The elections were held in July. In addition to electing the president of Mexico and federal senators and deputies, the people of Sonora were electing their state legislature and their city councils. In Hermosillo "Operation Handyman" was well under way. "Calolo" was elected mayor.

Although from the beginning the PAN denounced the "electoral fraud," its complaints led nowhere, "due to a lack of proof." On 17 March 1989 the National Action Party exhibited "overwhelming proof" of electoral fraud. It displayed evidence of about 5,000 false voting cards and an original recording of the radio frequency of the Judicial Police, over which orders were given for "Operation Handyman."

The evidence was provided by Guillermo Sotelo Sanora, father of Dr Guillermo Sotelo Cruz, former director of the Police Academy, whom the police had arrested 5 days earlier for cocaine trafficking.

Sotelo Sanora stated that his son had not been arrested for trafficking in cocaine but was rather a victim of a campaign of police vengeance carried out by Sostenes Valenzuela Miller, his former protector and new state prosecutor and by Francisco Aldana Montano, secretary of the interior.

Before Notary Public Cesar Tapia Quijada, Sotelo Sanora displayed a voter's card. Accompanying him was Candelario Rojo Ruiz, a former cadet of the Police Academy, who said he had participated in the theft and stuffing of ballot boxes under "Operation Handyman."

The former cadet explained that Carlos Robles Loustanau and Dr Guillermo Sotelo Cruz organized and led the campaign of electoral fraud which they called "Operation Handyman." They managed it through a CB radio with the code names "R-1" for "Calolo" and "M-2" for the then director of the Police Academy.

Candelario Rojo also said that Sotelo Cruz organized all the cadets of the Police Academy to ensure that during "Operation Handyman" they would stuff the ballot boxes with PRI votes, principally in favor of Carlos Robles, the candidate for mayor of Hermosillo.

With the testimony of the former cadet, the false voter's cards, and the recording of how "Operation Handyman" was carried out, on 18 March the PAN demanded the cancellation of the elections held in July 1988 in Hermosillo and the dismissal of the municipal council.

Ramon Corrales Avila, leader of the PAN in Sonora, said that in addition to the cancellation of the elections his party would ask for the dismissal from office of Francisco de Paula Garcia Corral, Raul Burton Trejo, and Modesto Gutierrez Coronado, the local PRI deputies for the state electoral districts of Hermosillo.

In response to these motions Francisco Aldana, secretary of the interior, replied: "The elections are over. We are in another era. Furthermore, there is no reason to yield to blackmail from the PAN."

However, PAN leader Corrales Avila replied: "The secretary of the interior knows what fraud is. The only person who can be blackmailed is someone who has done something wrong."

In the Land of the Big Bosses

Parallel to the political problem, the narcotics trafficking problem has grown in Sonora. Almost all of the towns in the mountains are controlled by Sinaloa and Chihuahua narcotics traffickers. Sonora has been turned into a refuge for the big bosses who operated for many years in Sinaloa, then in Guadalajara, and now have taken Sonora by assault.

Carlos Quintero Arce, archbishop of Hermosillo, said: "Sonora is in the hands of the narcotics traffickers and other criminals." He demanded that the true leaders be arrested and not just second- or third-rate narcotics traffickers. He stated: "The names of persons who hold public positions have been mentioned. They are using their influence for the drug traffic."

On the average, 1 person is killed every day in connection with narcotics trafficking. With increasing frequency over the past year there have been clashes between narcotics traffickers. On 25 February there were bursts of machinegun fire in the center of the city of Aborca. Five persons travelling in an automobile were killed.

According to the authorities, the persons killed had with them an Uzi submachinegun and a pistol. However, the killers, who came in three pickup trucks and a black automobile from Sonora, caught them by surprise and did not give them time to defend themselves.

And, according to a report from Adalberto Rosas, a PAN deputy, Secretary of Agriculture Jorge de la Vega Dominguez had met earlier on the same day at a ranch near Caborca with the people who were killed that evening in the shooting incident.

In February it became clear once more how the police are working with the narcotics traffickers. In a cave located alongside a road which goes from Nacori Chico to Mesa de Tres Rios, judicial police were discovered protecting a quantity of high-powered rifles being shipped to the Mafia.

The arsenal consisted of 45 AK-47 rifles, 15 AR-15's, a 12-gauge shotgun, and a .45 caliber submachinegun. When they seized the weapons, soldiers of the Fourth Military Zone also arrested the police who were guarding them, including Hector Rivera Borbon, the chief of the state judicial police group in Nacori Chico and police agents Hector Ruben Murrieta Cordova and Luis Alberto Ruiz Murrieta, who confessed to having helped to hide the arsenal of weapons.

On 18 March, in the central area of Navojoa, a shootout occurred between persons travelling in two pickup trucks. Astolfo Felix Cejudo and Roberto Felix Villalobos died in one of them. They were nephews of Miguel Angel Felix Gallardo, considered by many people as the most powerful narcotics trafficker in Mexico.

Allegedly, the two men were killed in an act of vengeance. On 17 March three persons, including a 13-year-old girl, had their necks broken and their bodies thrown into a canal. The police suspected that those responsible for this triple crime were Astolfo Felix and Miguel Angel Felix.

What is certain is that gunfire is heard daily in almost all of the cities of the state. Enrique Alvarez del Castillo, the federal attorney general, admitted in February: "Sonora is no longer a state used occasionally by the narcotics traffickers. Now there are also fields planted with marijuana and poppies. We consider it a high-risk state."

On 28 March Javier Coello Trejo visited the state and announced that a major battle against the narcotics traffic had taken place. Earlier that day nine bodies were discovered at Rancho El Alamo in Agua Prieta. The victims had their hands tied behind their backs. Their necks had been slashed, and gunshot wounds were found on different parts of their bodies.

Baudelio Vildosola Teran, the mayor of Agua Prieta, stated on 29 March: "The narcotics traffic has underestimated the capacity for response of the Mexican government." He did not image that on 1 April, 3 days later, three other bodies would be discovered, with the help of DEA agents and that in order to rescue them he would have to ask the sheriff of Pima County, Arizona, for help. The sheriff sent a team of nine persons under the command of Sergeant Tom Petropoulos.

* Investigation Ordered

32480135a Mexico City PROCESO in Spanish No 650 17 Apr 89 p 30

[Article by Elias Chavez]

[Text] "Operation Handyman" will not go unpunished. Fernando Gutierrez Barrios, secretary of the interior, promised that "justice will be done in accordance with the laws in effect." He turned over to the Office of the Attorney General of the Republic the accusation made by the PAN regarding the falsification of more than 4,000 voter's cards which were used in Sonora on 6 July.

At the beginning of the 10th public meeting on electoral reform on 12 April Diego Fernandez de Cevallos, the PAN [National Action Party] representative, recalled that 1 month before—on 12 March—Dr Guillermo Sotelo Cruz, former director of the Sonora Police Academy, had been arrested in Hermosillo, charged with possession and traffic in cocaine.

Fernandez de Cevallos stated that on 20 March Guillermo Sotelo Sanora, the father of the arrested man, turned over to PAN leaders in Sonora the more than 4,000 voter's cards which his son and Carlos Robles Lostanau, then candidate for the office of mayor in Hermosillo, provided to more than 300 cadets from the Police Academy, so that they might vote several times in what they called "Operation Handyman."

Fernandez de Cevallos said that Guillermo Sotelo Sanora, the father of the arrested man, turned the cards over to the PAN as a way of proving that his son had been arrested, not for narcotics trafficking, but for political reasons.

Before the astonished eyes of the representatives of all political parties Fernandez de Cevallos placed on the table of the presidium the falsified credentials. He said:

"If we really love our country, if we have one iota of shame, it is essential to punish the ruffians who obtain and falsify voter's cards to change the will of our citizens.

"It is not acceptable," the PAN leader continued, "that at a time when the political dialogue on electoral reform is coming to an end and many Mexicans are making serious efforts to give the country a better political environment such important and serious matters like 'Operation Handyman' should not be investigated."

Before Gutierrez Barrios and dozens of people who met in the Revolution Room of the Department of the Interior Fernandez de Cevallos explained that the voter's cards were obviously false because, although they were signed by officials of the National Registry of Voters, the same fingerprint appears on dozens of them, according to microscopic evidence given by a specialist.

The PAN leader said that if the federal government respects its repeated statements that we have had enough of half truths and partial solutions, "here we have," he indicated to Gutierrez Barrios, "a file containing official documents which will make it possible to take criminal action against these electoral criminals."

The secretary of justice replied immediately. He instructed Undersecretary of Justice Manlio Fabio Beltrones to take the documents and turn them over "at once" to the Office of the Attorney General of the Republic. Gutierrez Barrios promised: "I assure you, as a representative of the PAN, that justice will be done."

The public meeting began then, with representatives of all political parties present. On this occasion Miguel Angel Yunes Linares of the PRI spoke of the system of qualification of election commissions. However, Fernandez de Cevallos, the PAN leader, took advantage of an opportunity to raise once again the matter of "Operation Handyman."

In specific terms he asked Yunes Linares what the PRI would do to punish those responsible for "Operation Handyman" and what he would also do to the political figures of Sonora who benefited from electoral fraud. He asked: "Is your party considering doing something so that electoral vagabonds will not continue to be members of a majority of the state governments in the country?"

In his reply Yunes Linares limited himself to explaining that the PRI had commissioned him specifically to discuss the subject of the electoral dispute. However, he added:

"I believe that my party, in view of the situation which has been raised here, would ask that the guilty parties be punished."

Costa Rica

President Arias Says 'Dictators Must Go'

PA1905021789 Madrid EFE in Spanish 0143 GMT 19 May 89

[Text] San Jose, 18 May (EFE)—Clearly alluding to Manuel Antonio Noriega, commander of the Panama Defense Forces, Costa Rican President Oscar Arias said tonight that "dictators must go."

In an unexpected speech on local television, Arias said that with the OAS resolution on the Panama crisis, for which he blamed Noriega, the continent's countries have granted "some time so reason can prevail and Panama can have a president freely elected by its people."

Arias, who along with Venezuelan President Carlos Andres Perez is regarded in political circles as the sponsor of the OAS meeting, said: "Dictators must go. The election results must be respected."

Court Drops Case Against John Hull

PA1805234489 Paris AFP in Spanish 0704 GMT 18 May 89

[Text] San Jose, 17 May (AFP)—A Costa Rican superior court has dropped the case against John Hull, a Costa Rican citizen of U.S. origin who has been linked with the contras and who was charged in early March with "hostile actions and international drug trafficking."

The court's decision was made on 5 May and published today. The Superior Penal Court in Alajuela, Costa Rica's second largest city, dismissed the case, saying the court handling the case did not provide "pertinent information concerning the illegal actions" the defendant was accused of committing.

Hull, who has been accused of being a CIA agent and of cooperating with the contras in their struggle against the Nicaraguan Government, was released on bail a few weeks ago after his lawyers claimed he required medical treatment for a heart problem.

El Salvador

Duarte Says Some Wounded Rebels Cannot Leave

PA1805003089 San Salvador Canal Seis Television in Spanish 0200 GMT 17 May 89

[Report by Joel Burgos]

[Text] President Jose Napoleon Duarte has changed his position on the evacuation of crippled guerrillas. He is now saying that guerrillas who have pending court cases will not be allowed to leave the country.

Duarte's decision to allow crippled guerrillas to leave the country has highlighted the problems he is facing during this transition period. Much like his physical condition, Duarte's decisionmaking power has deteriorated. Nevertheless, he defended his original position today but added a new twist. According to the president, any crippled guerrillas who have pending court cases may not leave the country. This is a new condition, and because of it, some people are saying the president is backtracking on his decision.

[Begin Duarte recording] In our legal system, there is a constitutional provision that entitles every Salvadoran to enter and leave the country as he wishes, without any restraints whatsoever, with the exception of those who have cases pending in courts. (?Of course), I have asked the Justice Ministry to review the cases of those who are awaiting trial because, according to the law, they are prohibited from leaving the country. However, anyone who does not have pending legal cases can leave and return any time he wishes if he is a Salvadoran. [end recording]

Duarte's opponents have taken the opportunity to criticize him. Even his erstwhile ally and current opponent, Julio Adolfo Rey Prendes, accuses him of having concluded a pact with the church and the guerrillas.

[Begin Rey Prendes recording] We fully agree with the church with regard to serving the poor. This does not mean, however, that we have a secret pact in this regard. The decisions that were made at the various meetings between the government and the FMLN [Farabundo Marti National Liberation Front].... [changes thought] I have publicly said that the government has held not 3 but 17 meetings with the FMLN at various places around the world to discuss various matters and that minutes of those meetings have been drafted. [end recording]

According to Duarte's opponents, his government has lost power partly because of his illness, partly because of the split in his party, and partly because of the isolation in which his political opponents have placed him.

This would be the fourth time that crippled FMLN guerrillas are allowed to leave El Salvador, and this has caused displeasure in some quarters. The attorney general has asserted that Duarte has no power to grant pardons. Duarte, however, bases his stand on the fact that the crippled guerrillas who will leave during the next few days have no pending trials, are not in custody, and therefore are not subject to pardon.

Government-FMLN Secret Pacts Reportedly Exist

PA1805032889 San Salvador LA PRENSA GRAFICA in Spanish 16 May 89 pp 3, 45

[Text] In addition to the political agreements between the government and the FMLN [Farabundo Marti National Liberation Front], others have been reached between the Salvadoran president and the Catholic Church, acting as mediator between the government and the FMLN.

This was disclosed yesterday by Julio Adolfo Rey Prendes, deputy of the Authentic Christian Movement, MAC, and former member of the PDC [Christian Democratic Party].

The MAC deputy said this in reply to statements by Colonel Sigifredo Ochoa Perez, an ARENA [Nationalist Republican Alliance] deputy, who said the "Duarte government has links with the FMLN. It has even given food to the terrorists, and today we have learned that a group of Ecuadorans is missing. This is part of the harm that the PDC government causes to the Salvadoran people while it helps terrorist violence."

Referring to this, Rey Prendes said: "It is true. General agreements were reached during the rounds of talks. A case in point was the kidnapping of President Duarte's daughter. At that time the agreement was Ines Guadalupe's release in exchange for freeing disabled FMLN members. I do not believe, however, that the release of the disabled FMLN members being considered now has anything to do with that commitment."

This newspaper asked: What type of general agreements?

Rey Prendes replied smiling: "General agreements, and through them, many subsequent agreements were reached. For example, there were agreements with the Catholic Church on food and other humanitarian aspects. General agreements were reached during the rounds of talks, such as the one involving the Catholic Church's mediation between the government and the FMLN. Later, Msgr Arturo Rivera y Damas, as the mediator, and the president reached more specific agreements."

Concerning the food, Rey Prendes added: "It is said that the government has given food to the Catholic Church and that much of that food has ended up in the hands of the FMLN. I cannot confirm this. But if such a donation was made, it was the result of those direct agreements between Msgr Rivera y Damas and President Duarte. However, many political agreements have resulted from those rounds of talks."

Referring to the "political pact" between the government and the FMLN, according to which the rebels will not harm the relatives of government officials, politicians, or military men and the government will not arrest the relatives of FMLN members, Rey Prendes said it is very likely this agreement will end when Duarte's presidential term concludes. "The Cristiani government will consider such an agreement as one of the first points to be negotiated with the FMLN, because it has already begun to say that it will hold a dialogue with the FMLN," Rey Prendes stressed.

Ponce Makes Economic, Military Recommendations

PA1805234289 San Salvador Canal Doce Television in Spanish 0300 GMT 18 May 89

[Text] Colonel Rene Emilio Ponce, chairman of the Armed Forces Joint Chiefs of Staff, today recommended that the new government do everything in its power to reactivate the economy in order to avoid a social outburst.

Ponce said the FMLN [Farabundo Marti National Liberation Front] will increase military actions and step up its political and diplomatic campaign to isolate the new ARENA [Nationalist Republican Alliance] government internationally and suspend foreign aid to the government.

The FMLN is trying to create unrest and to sell the idea that when ARENA assumes power, the Army will be at the service of the oligarchy and the death squads will increase activities, Ponce said.

Ponce based his recommendations on the fact that the war in El Salvador is complex and that the military cannot end the war on its own. There should be a broad solution with all sectors confronting the crisis, he said.

The new government will have a great opportunity to consolidate democracy, and we have a moral duty to defend reforms, he added. In addition, President-elect Cristiani should establish closer links with peasant and labor organizations to neutralize the activities of his opponents, Ponce said. Removing the guerrilla's social base will provide stability, and that is more important than killing subversives, the military leader said.

* Church, Politicians React to FMLN Proposal

32480123 San Salvador EL MUNDO in Spanish 7 Apr 89 p 3

[Article by Rene Hurtado]

[Text] Speaking about the new proposal from the FMLN [Farabundo Marti National Liberation Front], Monsignor Arturo Rivera Damas, archbishop of San Salvador, said yesterday that "it is new news and the path is one of dialogue, but I have seen in recent days how guerrilla action has again intensified, which makes us a bit skeptical about the political will behind the proposal."

The archbishop said that "as a supporter of seeing the solution to the conflict be one worked out by dialogue, we look favorably upon this proposal." Concerning the role the church has played as mediator, which to date has not been taken into account by the government or the guerrillas, he explained that "to be a mediator, one must be appointed by both sides, but that in order to have a dialogue, it does not necessarily have to be the church that mediates." "I am satisfied that there may be dialogue, and if there is a need for us to intervene as we have done, we would be willing to do so," he added.

The new proposal heard yesterday in Washington and passed on by FMLN spokesmen suggests to the new ARENA [Nationalist Republican Alliance] government that the latter be temporary effective 1 June and that 6 months later, elections be held to elect a president, constituent assembly to revise the current constitution and new municipal governments. At the same time, the proposal asks that structural reforms previously achieved be maintained and that leaders and officials involved in political crimes be tried.

For its part, the FMLN says it would participate as a political force in these elections with its own banner and in a coalition with other parties willing to join forces.

With respect to the proposal, Dr Jose Francisco Guerrero from ARENA said that he would not want, "at the very first opportunity, to leave any bitter feelings over the fact that we reject the FMLN document, which would be irresponsible on my part because I know it briefly. The ARENA National Executive Council must meet to analyze it," he said, "but I cannot personally say or maintain what can be accepted and what cannot. What I can say is that the time at which this proposal is being presented is much more favorable than the conditions under which they negotiated when we went to Oaxtepec. Everyone was racing against the clock then."

Hugo Carrillo, of the PCN [National Conciliation Party], said that the fact that there is a new proposal is important, "but if we are going to be objective, it has little possibility of bearing fruit and being viable, since I do not believe that after the effort made by ARENA members to win the presidency, Cristiani will be willing to remain in office only 6 months, and this is both a practical and objective question." "Furthermore," he added, "we have a new possibility of seeking a way out of the conflict and the wisest course would be for the president-elect to sit down and talk with the guerrillas in order to see whether there are positions that have some prospect of turning into something positive for the Salvadoran people."

Finally, Deputy Aristides Alvarenga, from the PDC [Christian Democratic Party], observed that the president-elect, who will take office on 1 June, "cannot take office temporarily, and there is no law to back him in agreeing that it will be a temporary government that will call for elections because it is not a de facto government. Such a possibility must therefore be ruled out and, as Christian Democrats, we are telling Fredy Cristiani to assume the responsibility that the Salvadoran people have assigned to him, and now we shall see whether it is the same thing to criticize as to be in the government and if the ARENA truly had its feet on the ground when they criticized President Jose Napoleon Duarte from the very first day he took office.

Clandestine Station Reports Recent FMLN Actions

PA1905022489

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 18 May carries approximately 5 minutes of reports of the latest actions by the Farabundo Marti National Liberation Front, FMLN. The announcer begins with a report on a Feliciano Ama Western Front ambush in Santa Ana, which inflicted eight casualties "on war criminal Cacerces Cabrera's troops." The ambush took place at 1100 on 15 May against troops belonging to Military Detachment No 7 on the road that leads from Ahuachapan to Santa Ana, at the 84 km marker in El Refugio municipality. The announcer adds that the power line to Auachapan "was interrupted" by the Feliciano Ama Western Front on 9 May. The reports adds that three power poles were sabotaged in Canton Cantarana on the Los Naranjos road, and another was sabotaged in the Aviles neighborhood on the Candelaria road.

From the "Francisco Sanchez Eastern Front," the FMLN station reports that in clashes near Los Laureles, San Luis de la Reina jurisdiction, in San Miguel Department, guerrilla snipers killed one member of the Army's Leon Battalion and seriously wounded two others.

The report adds that Air Force helicopters subsequently strafed the Los Laureles area, killing a 16-year-old girl.

15 Guerrillas Reportedly Killed in Clashes

PA1705145089 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 15 May 89

[Text] Military sources have reported to this station that 15 guerrillas were killed and at least 20 wounded in heavy fighting in San Miguel, Usulutan, and Chalatenango Departments. They added that the fighting occurred during the last few hours. The sources did not disclose Army casualties, but they confirmed that this demonstrates an increase in violence in the country on the part of the subversive organizations.

The Salvadoran Archbishopric's Legal Aid Office reported the death of 38 people, including four members of a death squad and an 11-year-old girl who was killed during a Farabundo Marti National Liberation Front incursion in Berlin on 10 May, Mother's Day.

The Legal Aid Office reported that 33 people were killed last week in various parts of the country, but it did not specify which side they were on. The office condemned the death of the child, who was attending mass on Mother's Day in Berlin.

Guatemala

Cerezo Discusses Central American Concerns

FL1805184089 Guatemala City PRENSA LIBRE in Spanish 17 May 89 p 5

[Excerpt] President Vinicio Cerezo Arevalo admitted yesterday that the presidential summit agreements have not been fulfilled, particularly as far as the demobilization of the contras is concerned.

That is why, he added, a new meeting in Honduras has been proposed. When foreign ministers cannot reach an agreement it becomes necessary to hold a political meeting at the highest level so that the necessary decisions can be made.

I believe that the problems between Honduras and Nicaragua regarding the verification process can be resolved, so we are going to present a compromise arrangement to reconcile the two countries' interests, Cerezo said.

Turning to El Salvador, Cerezo said that President [as published] Cristiani has brought up an interesting point: that El Salvador has to place special interest in halting the war and to see what it can do to demobilize the guerrillas. The problem is that we have not yet discussed a way to bring this about.

Imagine having to find a solution for 5,000 rebels who are suddenly unemployed. Right now they are involved in the military problem and are able to subsist as members of a military force that has its own means of survival, Cerezo said, and asked: What can be done with them? Where can they go?

President Cerezo then said that Guatemalans have special interest in this situation, because Salvadorans who are jobless and are experiencing problems pass through Guatemala. They are accustomed to being unemployed, but we will be facing an increase in common crime. This can occur in Guatemala, Mexico, or any other Central American nations, he stressed.

Cerezo said: Consequently, we have to discuss this topic. I believe that the solution to the Nicaraguan problem is on track because a political opening is under way and the problem of the Nicaraguan Resistance is being discussed. Consequently, we must pay special attention to the Salvadoran situation and propose a specific plan to which the Central American presidents and the international community may contribute. [passage omitted]

President Describes Pacification Process

PM1805081589 Madrid YA in Spanish 11 May 89 p 11

[Interview with President Vinicio Cerezo by J. Saz in Guatemala City; date not given]

[Text] Guatemala City—A few days before this Tuesday's attempted coup, which has thrown the country into confusion again, Guatemalan President Vinicio Cerezo granted YA this interview, in which he claims to have the support of most of the Army and at the same time describes good progress in Guatemala's democratization process.

[Saz] What role, in your opinion, are the Armed Forces playing in Guatemala's democratic process?

[Cerezo] The Armed Forces have played a crucial role in the current democratic process.. This seems an easy thing to say, since it is usually claimed that it is the Armed Forces which control me—not the other way round. In theory, I should say things against the Army in order to prove that this is not so, but the fact is that the Armed Forces as an institution have supported the government at the critical moments when we have had to take difficult decisions, as in the case of the tax reform, authorizing trade unions, granting the right to strike to state employees—which is something that is allowed here but not in other democratic countries—or the resolution of outstanding human rights problems.

Another very important point in this process is the policy of active neutrality in Central America, heavily attacked by the extreme right with its constant boycott, which we were able to surmount only thanks to the Armed Forces' support.

But all this does not mean that there are not still within the Army people with a traditional attitude, who on several occasions have committed crimes or opposed government decisions. For this reason we have had to dismiss several officers and brought at least 52 Armed Forces members before the courts for criminal actions and violation of human rights. But the support of the institution as a whole is very important and will remain so, because most officers in the three services support the current democratic process in Guatemala.

[Saz] You still hear of constant clashes between the Army and the guerrillas. Does this mean that the reconciliation process is not yet complete?

[Cerezo] No, it is not complete, but the reconciliation process has achieved very important results, because we have been ending the centers of resistance through persuasion and the participation of the rebel groups—not through repression. When we attained power, the guerrillas had the support of around 7,000 armed people, as well as the civilian support groups in the same mountains. Over 6,500 of these people in the support groups have rejoined the country's life by surrendering to the Army in the mountains.

The last time this happened was on Amachel—a mountain near the border with Mexico, which was one of the guerrillas' last redoubts, where over 1,500 people surrendered voluntarily. All this is due to several factors, most prominent among them the fact that, every time that one of these guerrillas was taken prisoner, the government automatically released him (this is also one of the reasons why there are no political prisoners in Guatemala), so that he could return to his place of origin and people could see that nothing had happened to him and that the government keeps its promises. It is these released people who have convinced others that everybody's participation and political integration is possible.

[Saz] So there have been no trials?

[Cerezo] The detainees are brought before the court, and the court applies the amnesty to them, which means that they are bound to be released within 8 days at most. There is no problem in this respect; and there they all are with their full names, living unmolested in their homes. All these people, as in the case of Amachel, are returning of their own free will, and we do everything that we can to help them by cooperating with the repatriation committees in order to restore them to normal life, since many of them were in a pitiful state after so many years in the mountains.

[Saz] But there are still armed clashes in the mountains.

[Cerezo] We have patience and hope to persuade everybody to reintegrate. It is true that there are still small groups of guerrillas and also some Army groups resisting our rehabilitation policy, but what we have been doing is to surround these diehards' redoubts and wait for them to surrender, so that we can release and pardon them.

[Saz] What measures will your government adopt to promote the Esquipulas II accords and the most recent El Salvador accords?

[Cerezo] Mainly to continue with our policy of active neutrality, in order to carry out every kind of bilateral or multilateral action aimed at achieving intermediate points of agreement to reduce the differences between the countries in the area. That is why we have worked with the Contadora countries, from which we have received considerable support, and also with the EC countries, from which we have also received considerable moral and political support for all the efforts which culminated in the Esquipulas accords through the OAS. We will continue along the same path until we succeed in making the process of pacification and democratization of the area a reality.

[Saz] What are your relations with the United States like?

[Cerezo] Relations with our U.S. neighbors are always problematical. The fact is that the United States has always had a more emotional than rational attitude to Central America, and this has been the cause of many historical mistakes.

Coup Plotter Surrenders to Military Authorities

FL1805144089 Guatemala City Cadena de Emisoras Unidas in Spanish 1328 GMT 18 May 89

[Text] Acting like a hero of great battles, coup plotter Colonel Julio Cesar Padilla Gonzalez surrendered yesterday at the military prosecutor's office. Padilla Gonzalez arrived at the military prosecutor's office yesterday at noon. He was accompanied by Arnoldo Lopez Estraude, defense attorney for two alleged coup plotters who have already been arrested. The coup promoter, a former member of the Tactical Group, said: Here is my weapon. He then surrendered his machinegun. Following the surrender of his weapon, described by Padilla Gonzalez as a heroic action, he was subjected to 6 hours of questioning. He was then handed over to three soldiers who took him to the General Headquarters. Padilla Gonzalez is being charged with sedition and rebellion and his future will be determined shortly.

A group of people were in front of the military prosecutor's office when coup plotter Padilla Gonzalez arrived. Among those present was rightist politician Mario Castejon.

Soldiers Congratulated in Wake of Coup Attempt

FL1805170689 Guatemala City EL GRAFICO in Spanish 17 May 89 p 57

[Army Press and Information Department communique: "A Call to Reflection and Congratulations," dated Guatemala City, 17 May 1989]

[Text] The Army High Command, which ably directs and manages our own organization as an institution, is aware of the needs of the Guatemalan people. Because of this it deplores the 9 May incidents, cognizant of the fact that within a democratic transition process it sometimes becomes necessary to deal with experiences contrary to our efforts and desires. The few officers who were led into and were caught up in a plan to destabilize the national situation did not pause to recall that our officers, cadres, and troops have and hold something that is extremely important: a high morale and a deep desire to convert our Army into a dignified and up-to-date institution. At the present time there is no country in the world that is not facing serious problems and is trying to solve them according to its own resources and ideology.

Today's materialistic world has engendered uncommon attitudes, which have developed into a penury of spirit and the loss of moral principles and values. This is what led gullible human beings—(unfortunately wearers of the military uniform) who lacked moral rectitude and military fervor and instead were possessed by insane and uncontrollable ambition—to betray their oath of loyalty to their institution, relatives, and companions in arms. The Army High Command deplores the fact that these few officers attempted to disrupt constitutional order, casting aside everything that they learned in our glorious Polytechnical School and, even worse, their oath of obedience and loyalty to the flag, laws, and authorities of the Republic.

In the second half of this century our Army has had to suffer undescribably, but it is victorious and will continue onward, upholding our laws and abiding by military regulations. We will continue to defend our institution and the fatherland, whatever the cost. The Lord, the Guatemalan people, and the enduring memory of the heroes and martyrs who lost their lives to defend Guatemala will serve as our inspiration.

The Army High Command salutes and congratulates all general officers, officers, noncommissioned officers, specialists, and enlisted men throughout the Republic, because we have once again proven that ours is not a makeshift Army, but an Army that has institutional ideals and is making a number of sacrifices to update and upgrade itself materially, spiritually, and doctrinarily, so as to better accomplish its mission.

Honduras

Foreign Minister Comments on OAS Resolution

FL1805161989 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 18 May 89

[Interview with Foreign Minister Carlos Lopez Contreras by Voz de Honduras reporter Jacobo Goldstein; in Washington, D.C., on 17 May—recorded]

[Text] [Goldstein] Foreign Minister Lopez Contreras, what is your opinion regarding the resolution that has been approved?

[Lopez Contreras] A resolution was approved by consensus but we feel that it is a very weak resolution. We do not know what effects this resolution will have. An investigative commission has been given a 15-day deadline to find a solution to Panama's political problem. We refuted several points in the resolution because we felt they treated the Panamanian Government and the political opposition equally. To give you an example, it called for the opposition to refrain from adopting measures that would worsen the situation. We do not feel that is the case of the Panamanian political opposition.

[Goldstein] Have the three foreign ministers on the commission been appointed?

[Lopez Contreras] Yes, they have. The commission will be formed by the foreign ministers of Ecuador, Guatemala, and Trinidad and Tobago.

[Goldstein] What was the voting like? We heard that there were some abstentions and some votes against it.

[Lopez Contreras] What happened was that a draft resolution had been discussed all day. When it was actually presented, several countries introduced changes. Argentina, Nicaragua, El Salvador, and Honduras were some of the countries that suggested changes. Only the Argentine suggestion was approved. Argentina asked that the commission formed by the three foreign ministers present its report by a certain date and that a second session of this consultation meeting be held at that time. This second session will be held on Monday, 5 June.

[Goldstein] Here in Washington?

[Lopez Contreras] Here in Washington.

[Goldstein] All the foreign ministers will come back to Washington?

[Lopez Contreras] We will all come back to study the report presented by the commission.

[Goldstein] On 5 June?

[Lopez Contreras] Yes sir.

[Goldstein] Thank you Mr Foreign Minister.

Nicaragua

Ortega Says OAS Decision on Panama 'Good'

PA1905031189 Paris AFP in Spanish 0204 GMT 19 May 89

[Text] Niquinohomo, Nicaragua, 18 May (AFP)—Nicaraguan President Daniel Ortega today described as "good" the OAS decision to send a delegation to Panama to try to find a solution for that country's political crisis.

At the closing of an official ceremony to commemorate the 94th birthday of General Augusto Cesar Sandino, the national hero who was born in Niquinohomo, 35 km south of Managua, Ortega said: "Generally speaking, the conclusions reached by the 21st OAS foreign ministers consultation meeting, held in Washington on Wednesday, are good."

He said the OAS "clearly set forth that it does not allow the use of, or the threat of, force."

Ortega strongly denied the problem in Panama is General Manuel Antonio Noriega, commander of the Panama Defense Forces. He said: "The problem has been created by the U.S. Government, not Noriega."

Asked about the consequences of the political crisis in Panama since the 7 May elections—which the opposition and international observers said were fraudulent—were annulled, Ortega said Washington "intends to violate the Torrijos-Carter treaties (signed in 1977) and keep the Panama Canal under U.S. control forever."

According to Ortega, the U.S. Administration "wants to use Panama as a springboard to escalate its aggression against Nicaragua. This has been the goal of all U.S. Governments since the Sandinist revolution triumphed" in 1979.

In addition, Ortega criticized the stance of some Latin American governments. Without mentioning them by name, he added: "Certain Latin American governments talk about Panama constantly, but forget they live in glass houses."

Asked about a letter that Soviet President Mikhail Gorbachev addressed to U.S. President George Bush saying the Soviet Union stopped arms shipments to Nicaragua early this year, Ortega replied that the Soviet Union has complied "with all the agreements signed" with Nicaragua, "including military agreements."

Ortega, however, declined to say if the Sandinist Army has ceased to receive new arms and supplies, as Gorbachev said, according to U.S. sources.

Vice President on OAS Position

PA1805140889 Managua Radio Sandino in Spanish 1204 GMT 18 May 89

[Text] Nicaraguan Vice President Sergio Ramirez has said the OAS must preserve the principles of self-determination of peoples and nonintervention in the internal affairs of other countries.

Speaking on the debates on Panama at the OAS, Dr Ramirez reiterated that it should be made clear that the U.S. Government is not the final appeals judge of the internal situation of any country. We are not speaking of any specific country, because today it is Panama, and tomorrow it could be Nicaragua, Peru, or Costa Rica, he said. Any Latin American nation should be defended by the OAS in legal terms, Dr Ramirez said.

Cooperation Agreement With GDR Renewed

PA1805120589 Managua BARRICADA in Spanish 13 May 89 p 2

[Summary] Vice Foreign Minister Jose Leon Talavera and GDR Ambassador Matthias Dietrich yesterday signed the renewal of a cultural and scientific cooperation agreement between Nicaragua and the GDR. The program for 1989-1990 includes the granting of 25 scholarships for university degree studies and 15 for postgraduate studies. Ambassador Dietrich said that nearly 500 Nicaraguan students are currently studying in the GDR.

Commander Arce Interview on Party Registration

PA1805184389 Managua BARRICADA in Spanish 16 May 89 p 3

["Excerpts" of interview with Commander of the Revolution Bayardo Arce Castano to unidentified reporters on 15 May—place not given]

[Text] [Reporter] What do you think of the current uproar concerning legal status for political parties?

[Arce] The CNPP [National Council of Political Parties] called its members to a meeting today, 15 May, at 1130 to review the applications for legal status of the political parties. We urged the FSLN [Sandinist National Liberation Front] members on the Council to do their best to help find a satisfactory solution to this matter by allowing the broadest possible participation and by positively helping to settle the differences among the various political parties.

On behalf of the FSLN, I appeal to all political parties to adopt a constructive attitude; otherwise, a serious stalemate will develop regarding their legal status.

[Reporter] Can you describe the status of the already registered parties and of the ones now seeking registration?

[Arce] At present, there are 12 legally registered parties and 11 more parties seeking legal status. Among these, the legal status of the MDN [Nicaraguan Democratic Movement] was restored. Democratic Action's application was turned down because it did not meet the requirements, and the application of the Revolutionary Unity Movement (MUR) was approved. Eight of the applications remained pending.

Some of the significant ones are those of the PLIUN [Independent Liberal Party of National Unity], led by Dr Coronado [Eduardo Coronado Perez], which has been contested by the PLC [Constitutionalist Liberal Party] for calling itself "liberal." Also, Erick Ramirez' PSC [Social Christian Party] has challenged Rivas Gasteazoro's Social Christian Unity Party for using the name Social Christian and Agustin Jarquin's Christian Democratic Party because it wants to use a small fish and a blue flag as party symbols.

The Democratic Conservative Party has contested the application of Miriam Arguello's Nicaraguan Conservative Party, and Silviano Matamoros' National Conservative Union Party [Partido Union Nacional Conservadora] because of their names and symbols. Also, Aguero's application has been contested for using the same symbols.

The situation is so complex that I hope the parties will not blame the government or the FSLN, because they have nothing to do with it. As I said, the FSLN has ordered its representative at the CNPP to play a constructive role.

[Reporter] What will happen if, because of their intransigence, the political parties block a solution to the dispute within the CNPP?

[Arce] If this happens, we will not be able to fulfill our government's goal—stated in the agreements President Ortega signed in El Salvador—of allowing the broadest possible range of democratic participation in the elections, although we had already made the electoral law more flexible by eliminating a number of obstacles in it. The parties are the ones who are blocking this process, and the government cannot be blamed.

[Reporter] Can you explain to us this matter of flexibility granted by the government to allow greater participation by the parties?

[Arce] The electoral law included a number of requirements, such as the demand that the parties show they have party boards in 80 municipalities as strong evidence of political activity. However, in their bilateral talks with President Ortega, the parties asked that this requirement be eliminated. He granted the request, and that is how we returned to the requirements of the 1984 elections. In other words, the parties must present nine regional party boards and a national party board and have been warned that they could not use the names and symbols of parties that were already registered.

[Reporter] Is there no contradiction between the so-called "union of opposition parties" and the disputes at the CNPP?

[Arce] The first show of unity the parties should make should be to stop all this. It is up to them, and all we can do is promote flexible positions.

[Reporter] How are the FSLN's preparations for the elections going?

[Arce] We have begun revising the FSLN's structure, which was not designed for the electoral process, but nothing more. We are on the side of the people on the issues of defending the fatherland, stopping inflation, increasing production, health improvement, and adult education. Thus, we are revising the entire party structure to adapt it to the electoral process.

[Reporter] Is there any danger the Yankees will try to repeat in Nicaragua what they did in Panama?

[Arce] First, the United States is capable of anything. It is imperialistic, it lies, and it is an enemy of the self-determination of peoples. If one analyzes the basic elements with which it worked in Panama, I think that in our case it would be more difficult to set up a farce like the one it tried and is still trying to carry out in Panama.

We are pursuing an open-door policy and have sent invitations to the European Parliament, the EEC, the OAS, and the United Nations as part of this policy of openness.

In 1984, 1,250 newsmen came to Nicaragua from all over the world to cover the elections and, I repeat, I think it will be difficult for the United States to carry out a plot as it did in Panama.

[Reporter] It is believed the serious economic crisis will be a "handicap" for the FSLN in the elections. What do you think?

[Arce] This may happen if the people do not have a clear picture of what caused the economic problems—which have basically resulted from the imperialist aggression—and what possibilities we have for solving them. Part of our permanent ideological and political work is to explain clearly to the people that the most important economic problems stem from the war and that the destruction caused during 8 years of aggression has already resulted in losses totaling the astronomical figure of $15 billion.

In any event, these problems have not further aggravated our people's lot from what it was at the time of our victory in 1979. Now the peasants have land. They are relieved that their children can go to school. The students no longer pay for their transportation, and we are already establishing a program to distribute milk free of charge to children in the schools. We are renewing our effort to make our people understand that this economic policy is laying the groundwork for overcoming our problems.

[Reporter] What alternatives are the opposition parties offering in their platforms?

[Arce] What are they offering that is different from what we are offering? Thus far, what they are doing is a sorry spectacle, because they cannot even agree on their names or symbols.

Legal Status Granted

PA1805175689 Managua Radio Sandino in Spanish 1930 GMT 17 May 89

[Report by Oscar Alvarez]

[Text] The Council of Political Parties has just granted legal status to five political parties and organizations that had filed requests for that purpose. Two of the parties are the Social Party, a conservative party headed by Fernando Aguero Rocha, and the Conservative Popular Alliance [Allianza Popular Conservadora] led by Dr Miriam Arguello.

The council rejected requests by two social christian groups: the one headed by Augustin Jarquin and the one headed by Dr Eduardo Rivas Gasteazoro.

Prior to this, the Nicaraguan Democratic Movement, MDN, and the Revolutionary Unity Movement had had their legal status restored.

The Council also denied the Liberal Party's request for legal status, as well as the request from the conservative group of Mario Rappaccioli and the request from the Integrationist Party of Central America, whose leader is Dr Alejandro Perez Arevalo.

The groups can appeal the decisions to the Supreme Electoral Council and, if necessary, to the Supreme Court of Justice.

We will now listen to Jacinto Velez of the Social Party headed by Fernando Aguero.

[Begin Velez recording] I am happy with the resolution. I think it is an act of justice. The significance of Fernando Aguero, who in the past was the great leader of the Conservative Party and who is now the great leader of the Nicaraguan Social Party, was taken into account. We hope he returns to the country soon to play a vanguard role in the election struggle to come. [end recording]

PDC Denied Legal Status

PA1905011889 Managua Radio Corporacion in Spanish 2300 GMT 15 May 89

[Text] Official sources of the Christian Democratic Party told us this afternoon that the National Political Party Council flatly refused to give the PDC legal status. The PSC led by Eric Ramirez challenged the PDC's request for legal status.

According to the PDC, the CNPP, which is controlled by the government, has rejected the PDC's request for legal status, to which the party is entitled under the Esquipulas II and El Salvador agreements. The PDC said it will protest the CNPP decision and will argue its case before international organizations to pressure the government into granting the party legal status.

Vice President Comments on Upcoming Elections

PA1805234789 Managua Radio Sandino in Spanish 1200 GMT 17 May 89

[Text] Nicaraguan Vice President Dr Sergio Ramirez Mercado has said that the 1990 elections will be the revolution's most important challenge in recent years. Speaking at the conclusion of the national seminar on the independence of the judicial branch and human rights, he said the elections will be the most important issue between the United States and Nicaragua.

Ramirez added that the United States could not discredit the legitimacy of the revolution through the use of arms and is now turning against the institutionalization of the revolution.

He also commented on the actions that the United States might use to discredit the legitimacy of the elections.

[Begin Ramirez recording] We have an important challenge facing us, not just because we will hold five simultaneous elections on 25 February 1990 but also because—and we must be clear about this—these elections are perhaps the most important political issue of confrontation with the U.S. Government.

At the international level, the United States has always tried to deny the legitimacy of the revolution. Therefore, although it is true that we will hold elections and that they will involve the Sandinist Front of National Liberation and all political parties that wish to participate—there are about 22 registered parties—we cannot make a mistake; we must realize that these elections involve Nicaragua and the U.S. Government.

That government will try to discredit this election process and create an international atmosphere of possible, or certain, fraud during the upcoming elections—that is part of a U.S. plan to deny legitimacy to the revolution's institutions and destroy the legitimacy of the revolution. That is why I said this is a great challenge. These elections are a responsibility of the entire nation, of all Nicaraguans. [end recording]

Ramirez on Reconciliation Commission Meeting

PA1805231689 Managua Radio Sandino in Spanish 1200 GMT 18 May 89

[Text] Nicaraguan Vice President Sergio Ramirez, who presented a report on Nicaraguan compliance with the Costa del Sol agreement to the National Reconciliation Commission [CRN] yesterday, has said the CRN did not discuss whether to appoint a commission to negotiate between the government and the opposition.

[Begin Ramirez recording] The opposition members had promised to submit a written document, which they failed to do. Also, I could not agree to a discussion within the commission as to whether there should be a negotiating commission between the government and the opposition. First of all, the government feels that matter is not within the purview of the CRN. Its function is to examine the steps the government is taking at this time to comply with the Costa del Sol agreement. It has no mediating role in negotiations of any kind.

However, the political parties did make a proposal that has to be submitted to the CRN, and we will freely express our opinion on this within that body. We are also insisting that the CRN's function is to assess the government's compliance with the Costa del Sol agreement. We have brought a document here that lists the commitments made by the government at Costa del Sol point by point, with an explanation of what the government has been doing to comply. It lists all the points that refer to the abrogation of the Patriotic Military Service, to new amendments to the Electoral Law, or to the repeal of the Media Law. Some parties that want to participate in the election process are making political proposals, and other parties only want to obstruct this process. But this is not a matter for discussion by the CRN. The CRN has to discuss and evaluate whether the government has complied with the Costa del Sol agreement.

The next point is that when the opposition parties represented here talk about a negotiating commission, I have to remind them whom they represent in the CRN. Mr Mauricio Diaz [Popular Social Christian party leader] himself has mentioned a proposed five-man negotiating commission that would include, for example, Duilio Baltodano and Dr Eduardo Rivas Gasteazoro of the Social Christian Party, as well as Silviano Matamoros of one of the Conservative Party factions. Those same people are in the National Council of Political Parties as representatives of the same parties that are represented in the CRN. [end recording]

Opposition Demands Dialogue With Government

PA1905040489 San Jose Radio Impacto in Spanish 1705 GMT 18 May 89

[Communique issued by the Democratic Coordinating Board on 11 May in Managua]

[Text] The Nicaraguan Democratic Coordinating Board, which is politically opposed to the Sandinist National Liberation Front [FSLN] and is composed of political parties, private enterprises, and labor unions, hereby informs the national and international community of the following:

It has become evident that the trip by President Commander Daniel Ortega, coordinator of the FSLN Political Commission, to several European countries has been a complete failure. President Ortega visited those countries to secure economic and political support for his government and for his reforms to the electoral code and to the Media Law—reforms that have been broadly rejected by the people and declared absurd, illegal, insufficient, and in violation of human rights by opposition political parties.

Aware of the urgent importance of initiating a true dialogue between the government and the opposition to clearly discuss and analyze facts to achieve mutual satisfaction for the benefit of the people and the country, to find the best solutions, and to establish clear and honest rules that would permit a genuine election process that must include sufficient guarantees of purity and legitimacy, the Nicaraguan Democratic Coordinating Board has decided to form a negotiating commission that will be composed as follows: two members from the labor sector, two from the business sector, and four members from the political sector. The negotiators would begin their activities once they are appointed on 17 May. From that moment on, they will act as the only valid interlocutors to discuss with the FSLN the implementation of a true domestic democratization process.

This commission is flexible and open to ideological sectors that are not yet represented on the Nicaraguan Democratic Coordinating Board and that may be patriotically willing to join this negotiation process.

[Signed] Nicaraguan Workers Federation
Confederation of Labor Union Unity
Confederation of Professional Associations of Nicaragua
Constitutionalist Liberal Party
Social Democratic Party
Higher Council of Private Enterprise
Social Christian Party
Conservative Party of Nicaragua
Liberal Party
Managua, 11 May 1989

Panama

Opposition Commentary on OAS Resolution, Strike

Statement Issued on OAS

PA1805171289 Madrid EFE in Spanish 1628 GMT 18 May 89

[Text] Panama City, 18 May (EFE)—The Panamanian opposition declared today that the "transfer of power" requested in the resolution approved by the OAS last night is "inconceivable without the immediate withdrawal of General (Manuel Antonio) Noriega as commander of the Panama Defense Forces [FDP]."

In a statement signed by Guillermo Endara, Ricardo Arias, and Guillermo Ford as president- and vice presidents-elect in the voided 7 May elections, the opposition states that "Gen Noriega's regime has been explicitly condemned" by the OAS.

The opposition notes that there were only two votes against this "condemnation": "the vote of the Noriega dictatorship itself, and that of the Sandinist dictatorship."

The statement says that "the most important" decision reached by the OAS was that it would send three foreign ministers to Panama "to urgently promote formulas of agreement" to ensure, "as soon as possible, the transfer of power with full respect for the Panamanian people's sovereign will."

Arias Calderon interpreted this reference to "as soon as possible" as a need for the present Panamanian regime to turn over power to the opposition, "which won the elections," before 1 September, the date set by the Constitution for the inauguration of the elected authorities.

"The OAS has understood the urgency with which it is necessary to act to resolve the serious crisis caused by Gen Noriega's regime," the statement says.

It is the opposition's understanding that if the government "refuses to agree to the democratic transfer of power" requested by the OAS, and if, "by early June, Gen Noriega's regime continues to disregard the people's will," then that organization "would be prepared to enact sanctions against the regime."

The OAS agreed to send to Panama a delegation composed of the foreign ministers of Ecuador, Guatemala, and Trinidad-Tobago that is to present a report at another OAS session on 5 June, "to decide on subsequent measures."

Ready for Transition Government

PA1905001089 Madrid EFE in Spanish 2259 GMT 18 May 89

[Text] Washington, 18 May (EFE)—Panamanian opposition representatives announced here today that "we are ready to accept any form of government until 1 September" to solve the country's political crisis. Manuel Solis Palma, minister in charge of the Presidency, will end his term on that date. On that day, however, Guillermo Endara—who the opposition says won the 7 May elections, which were later annulled—"should assume power," according to the opposition members.

The opposition members said they are willing to permit General Manuel Antonio Noriega, Panama Defense Forces commander in chief, to stay in the country. They added that "the military men who currently support the general will not be prosecuted."

This was said during a news conference held in Washington today by Guillermo Cochez of the Christian Democratic Party, Guillermo Quijano of the Nationalist Liberal Republican Movement, and Cesar Pereira of the Authentic Liberal Party. The news conference came after the OAS blamed Noriega for the "serious developments and abuses" that occurred in Panama and agreed to send a foreign ministers' delegation to Panama. "We are ready to hold talks with the OAS commission and with Noriega's regime," the opposition members said.

The opposition hopes to be able to show the commission "85 percent of the tally sheets" of the 7 May elections, which were annulled by the Electoral Tribunal. The OAS commission comprises Ecuadoran Foreign Minister Diego Cordovez, Guatemalan Foreign Minister Mario Palencia, and Trinidad and Tobago Foreign Minister Bhoendradath Tewarie, in addition to OAS Secretary General Joao Baena Soares.

"The commission will be able to see that the tally sheets—saved by military men who had been ordered to burn them but gave them to us—prove that we won by a margin of 350,000 to 400,000 votes. Therefore, it will not be necessary to hold new elections," Cochez said. The opposition members said the Catholic Church will show the commission its parallel vote count, which shows that the opposition candidates won by a 3 to 1 margin.

According to Cochez, "the elections will only have to be repeated" in two election districts—with a population of 20,000 people—where polls were not open.

"The government suspeded the vote count by decree, so it could very well resume it by decree; that is one of the things we will propose," said Cochez.

Although the opposition said in a communique distributed at the beginning of the news conference that "we welcome" the OAS resolution, Pereira criticized the measures approved at the foreign ministers meeting. He noted that unless "stronger and harsher" measures are taken, that OAS "would be useless."

"I would have preferred that the OAS, instead of postponing its decision, had taken the measures that circumstances warrant, as all countries have said Endara won the elections," Pereira stressed.

Among those measures, he mentioned "requesting Noriega's immediate resignation, as the OAS did with Nicaraguan President Anastasio Somoza in 1979; breaking diplomatic relations; expelling Panama from the OAS; implementing economic sanctions; and sending a peace force to Panama."

Pereira criticized Argentina, Peru, and Brazil for not taking a firmer position at a time when those countries are endangered by military coups. "If the armed forces in Argentina, Brazil, or Peru again establish dictatorships in those countries, are these countries' current leaders going to say that the OAS can do nothing about it because that would be meddling in the internal affairs of other states?" he asked.

However, Cochez said the OAS "took an important step," which was "Noriega's isolation" by Latin American countries. "The OAS eliminated the concept that the Panamanian crisis is the result of a dispute between the United States and Panama and destroyed the legend of little David (Panama) fighting against the great Goliath (United States)," Cochez said.

Praise for OAS Resolution

PA1805211889 Paris AFP in Spanish 1909 GMT 18 May 89

[Excerpt] Panama City, 18 May (AFP)—The Panamanian opposition today praised the OAS resolution on Panama because it is an "explicit condemnation" of Manuel Antonio Noriega's regime and "essentially meets the expectations of the Panamanian people."

During a news conference, Guillermo Endara, presidential candidate of the Civic Democratic Opposition Alliance (ADOC), described as "incredibly strong" the OAS document on the Panamanian situation. Endara pointed out that the decision to send to Panama an official OAS mission consisting of three foreign ministers "is like taking a bite out of Noriega."

"This resolution is an important contribution to our struggle for democracy and will help us immensely," the opposition presidential candidate said.

Meanwhile, Ricardo Arias Calderon, ADOC's first vice presidential candidate, pointed out that "there is already a clear consensus among Latin American countries on the need to remove General Noriega." Arias added that he also senses in the OAS resolution a Latin American consensus on the need for a "transfer of power" in Panama with "full respect" for the results of the 7 May elections.

"It is good that (the OAS foreign ministers) spoke of the transfer of power and not of the assumption of office," the opposition leader said. He also expressed satisfaction with the fact that the OAS "condemned Gen Noriega's abuses."

Like Endara, Arias Calderon hailed the dispatch of an official OAS mission made up of the foreign ministers of Ecuador, Guatemala, and Trinidad-Tobago to urgently promote "ways of agreement to arrive at a nationwide agreement" among Panamanians.

Finally, Guillermo Ford, ADOC candidate for second vice president, also said he was happy with the OAS resolution and emphasized that after 1 September, when the current presidential period ends, "there cannot be two rulers, because the people chose Guillermo Endara," while Gen Noriega's power, he added, is based solely on the Panama Defense Forces.

Ford said he favors a "reconciliation" among Panamanians but warned that "Gen Noriega's departure is indispensable for the democratization" of the country. "The problem is a conflict between dictatorship and democracy, and the people have already rejected the dictatorship at the polls," he said. [passage omitted]

OAS Resolution Assessment

PA1805205689 Madrid EFE in Spanish 1918 GMT 18 May 89

[Excerpts] Panama City, 18 May (EFE)—The leaders of both the Panamanian Government and the opposition today interpreted a resolution issued last night by the OAS as favorable; each side underscores the parts of the document that suits them best.

The opposition maintains that the "transfer of power" that the OAS wants is "is not attainable without the removal of General (Manuel Antonio) Noriega as commander of the Panama Defense Forces."

A statement issued by Guillermo Endara, Ricardo Arias, and Guillermo Ford, who signed as president and vice presidents "elect," states that "the OAS explicitly condemned the regime of Gen Noriega."

Meanwhile, government leaders such as Foreign Minister Jorge Ritter and former Foreign Minister Oyden Ortega claim that the resolution does not mention the word "condemn," and they underscore the paragraph calling on all countries "to refrain from any action that could violate the principle of nonintervention in the internal affairs of other states."

A senior foreign diplomat said that in general terms the OAS resolution is a greater "failure for the opposition than yesterday's stoppage, because it gives Noriega time, and he is a master in using time to his advantage."

Ford told EFE that "time is not on Noriega's side," because "as time goes by, the general is running out of options."

"Noriega has no other options; his time to negotiate with the United States has passed," he added.

Ford said that "the only option left for Noriega is to leave the command and the country." He added that he has learned that "countries such as Spain and Venezuela, from where he cannot be extradited, are willing to take him."

Ford pointed out that the opposition is only willing to negotiate with Noriega and the general staff—"not with regime subordinates"—to reach an agreement on the exit of the general "from the command and the country."

Meanwhile, Gen Noriega said yesterday that the crisis in Panama must be solved among civilians, and added that he will stay in the country "because I am a Panamanian and a patriot."

Both the opposition and government believe that the OAS decision to send three Latin American foreign ministers is a good decision, although for different reasons.

The opposition believes it is a good decision because they believe that the ministers are coming to force Noriega to retire, while the government sees the visit as an opportunity for the mission to observe U.S. "aggression" against Panama.

Carlos Duque, president of the Democratic Revolutionary Party, the major progovernment party, said that "the decision to send a commission of three foreign ministers is a very wise one (because) they will be able to see the aggression to which we are being subjected."

Duque declined to comment in detail on the part of the OAS resolution that accuses Noriega of "abuses" during the crisis and the election, while Ritter said that it was simple "criticism."

The opposition, however, feels this was a "condemnation" and emphasized that there were only two votes against it: "the vote of the Noriega dictatorship itself, and that of the Sandinist dictatorship. [passage omitted]

Endara said that the opposition has a "totally optimistic" view of the situation, and Arias Calderon said that "the attitude of the three government representatives" at the OAS meeting in Washington, "was that of people attending a funeral, Noriega's funeral, politically speaking."

Ford Presents Negotiation Terms

PA1805181589 Madrid EFE in Spanish 1733 GMT 18 May 89

[Text] Panama City, 18 May (EFE)—Panamanian opposition leader Guillermo Ford announced today that the opposition will only negotiate with General Manuel Antonio Noriega and the General Staff of the Panama Defense Forces [FDP], "not with subordinates of the regime," and that the objective of the negotiations will be the removal of the military commander.

In statements to EFE, Ford said the negotiations must "define the role of the FDP, which has held power since it staged a coup in 1968. Ford added that "democratization here will not be modeled after Argentina," where military officers were brought to trial when civilians returned to the presidency.

Ford also said that, contrary to what some diplomats have said, "time is not on Noriega's side," because "as time passes, the general is running out of options."

"Noriega no longer has an alternative. His chance to negotiate with the Americans has passed," said Ford, who describes himself as "vice president-elect."

Ford added that "Noriega's only choice is to leave military headquarters and the country." He said he has learned that "countries like Spain and Venezuela, from which Noriega cannot be extradited, are willing to receive him."

Another point of negotiation, according to Ford, will be "amendments to Law 20," which regulates the activity of military personnel, to make the military "subject to the Constitution and the law" and to define the term of service of the FDP commander in chief.

"The opposition," Ford said, "has no objection to direct negotiations with the FDP to reach an agreement, but it does object to dealing with the regime's subordinates."

Among the "subordinates," he listed the leaders of the major government party, the Democratic Revolutionary Party.

Ford, a candidate for second vice president in the elections that were held on Sunday, 7 May, and annulled on 10 May, said that so far, the opposition leaders have had "no contact" with the military.

On the other hand, he rejected charges that the Panamanian people are "cowardly" for not taking on the regime in a direct confrontation in the streets, and he defended the prudence shown by the opposition, saying: "60,000 people have already been killed in El Salvador, and they have not yet achieved peace."

Endara Terms 17 May 'Successful'

PA1805143289 San Jose Radio Impacto in Spanish 1259 GMT 18 May 89

[Unattributed report from Panama City on 17 May—recorded]

[Text] The Civic Democratic Opposition Alliance [ADOC] presidential slate announced at a news conference that the 17 May strike was a complete success. ADOC's call for peaceful demonstrations was successful. The protests were carried out as each person deemed best. Some banged pots, others honked car horns, and barricades were erected in some places. The Panama Defense Forces arrested at least eight persons who were peacefully demonstrating. Among those arrested are Carlos Varela Cardenal, Gabriel E. Noriega, Victor Avila, and Ronald Eduardo Carrera. Although, we only have these names so far, we know of other arrests by armed civilians in the streets. Here is Panamanian President-elect Guillermo Endara, assessing the 17 May strike:

[Endara] We think today's developments were a success for the people of Panama. We asked the people to halt their activities. We did not ask for a business or labor strike. We simply asked the people to paralyze the country's activities. It is known the military government carried out all sorts of actions, which we will mention later, to force stores to open. However, the opening of the stores did not affect the paralyzation, because it does no good to have stores open when nobody is shopping.

Although stores opened, the impact of the paralyzation did not decrease but actually increased. We saw that happening. We said this morning we felt the paralyzation was successful. My running mate, Ricardo Arias Calderon, has collected a number of facts.

Governmental Actions, Reaction to OAS

Ritter on Resolution, Commission

PA1805160289 Panama City Radio BB Network in Spanish 1318 GMT 18 May 89

[Telephone interview with Foreign Minister Jorge Eduardo Ritter in Washington by Andres Vega in Panama during "Domplin's Gunboat" program; live—monitored in progress]

[Text] [Ritter] ...the definite break of the OAS member countries with Panama. However, as for the total embargo, the OAS resolution is a disappointment [for the United States], because it is far from being a coersive action or a sanction along those lines.

[Vega] I have another concern. You say the OAS commission is warning, is asking, the sides to refrain from any action that may lead to or worsen the local situation. In plain language, the commission is coming in a conciliatory mission. What if the commission's presence in Panama leads to a new round of demonstrations and other things—as a result of foreign intervention or direct U.S. intervention because of its interests in this domestic matter—that create the image people are being slaughtered or killed or there is horrible repression? How will the OAS members feel about it if these activities are politically encouraged?

[Ritter] I think it would be a tremendous mistake from a political viewpoint for anyone to cause these kinds of incidents, because it would void or ruin the commission's trip. We cannot have any understanding in that kind of climate. You must remember: The commission members are not judges; the commission will not observe the situation in Panama and then report on what it saw. Its members will promote formulas among the sides to move the country forward. It would do no good if they return to Washington to report there was no climate for an agreement in Panama, because we would then return to the starting point.

[Vega] In other words, each Panamanian who wants peace and understanding can cooperate by not accepting any calls for confrontation from the government or opposition groups and by allowing the commission to meet with all sides. Perhaps, it may succeed in reaching a national understanding.

[Ritter] I agree with you completely; you have summarized very well. I hope that is the final outcome. One should not try impress the commission. Let me repeat: The commission members are not judges. The commission needs a climate of tranquillity to be able or to try to make Panamanians agree on new formulas for the country's political future.

[Vega] Do you want to add anything else regarding the meeting? Will it continue? Has it adjourned? Will it try to discuss some things? I feel two things are being discussed: solving our domestic problem and U.S. meddling and aggression. What can you tell us regarding U.S. aggression?

[Ritter] I think the resolution reflects the complexity of the problem. It urges states to refrain from any action detrimental to the principle of nonintervention. In the end, the commission will have to inform OAS about the major role U.S. meddling in Panama's domestic affairs and U.S. economic aggression has played in this complex political problem in Panama. I hope that to the same extent the OAS will strive to reconcile the sides, it will be sufficiently influential [ascendiente] in its work. Although Panama has stated this on repeated occasions, the OAS will obtain first-hand information—because the commission includes the OAS secretary general—and will be able to see the impact of the devastating economic measures. According to the Peruvian delegate, the sole speaker at yesterday's session, these measures have been unfair, illegal, and terribly harmful to the Panamanian economy.

[Vega] If you have to send a message—as a Panamanian, not as a minister or as one of the sides involved—based on the things we are experiencing as a result of the U.S. aggression and lack of understanding at home...[changes thought] Now that there is involvement by brother nations not linked to the domestic sides in the conflict—I imagine these countries, as we, do not want another country going the way of El Salvador, Guatemala, or Nicaragua—if you had to give us advice regarding our behavior, without falling into political partisanship by supporting a particular action, what would you tell us?

[Ritter] I would say this: We should behave in our normal Panamanian fashion. Panamanians have always been cordial and selfless in overcoming political differences, which have always been temporary and based on election matters. We are now facing a future without elections to look forward to. We have just experienced a very intense political campaign. We should be what we are. We should try to forsake ...[changes thought] I want to be very clear about this: In the political struggle we have waged, we all have lost. We should try to gain now. If we all try to gain, we must all yield, make concessions, and recognize the country is divided and under attack. All Panamanians must reach an agreement on basic, fundamental principles that will determine the mutually agreed on rules of the game, with or without the arrival of the human rights commission [as heard]. This agreement would thus be more all-encompassing. If I had to summarize it in one phrase, I would say: We should be Panamanians.

[Vega] Do you want to add anything?

[Ritter] Just special greetings to our listeners. I will soon be returning to Panama, and we will have the opportunity to discuss more at length.

[Vega] Sure. I am right now inviting you to this program so we can talk. I think most Panamanians want understanding, peace, progress, work, and development of the country. I hope the present situation will lead toward achieving those goals and that we do not ruin everything.

Further on Ritter Remarks

PA1805201389 Panama City Domestic Service in Spanish 1734 GMT 18 May 89

["Excerpt" of telephone interview with Foreign Minister Jorge Ritter in Washington by Andres Vega in Panama during Radio BB Network's "Domplin's Gunboat" program on 18 May—recorded]

[Text] [Ritter] The call for the foreign ministers consultation meeting was unanimous. The meeting reviewed and studied the Panamanian situation in all its complexity. Of course, one of the whereases expressly condemns abuses against... [changes thought] It says right here—we are going to read verbatim: abuse of Panamanian opposition candidates. That has been widely reported here. It was also specifically mentioned in the resolution.

However, the resolution also says, and I read verbatim: The crisis, which is due both to domestic and foreign causes, is becoming increasingly intense and could threaten international peace and security.

I think this resolution basically reflects the sentiments of the OAS members. Of course, in international organizations there is always one side trying to impose its views. However, in the long run what the member countries actually wish to express always comes out. I get the impression that expectations regarding the resolution were too high here as well as in Panama. The newspapers yesterday and the day before—prior to the meeting—stated that the OAS was convening to demand the immediate withdrawal of General Manuel Antonio Noriega. Other newspapers said there would be a strong condemnation of Panama. Still others said Panama was going to be expelled from the OAS. Others mentioned there was going to be a diplomatic effort by all the countries, or all the countries were going to withdraw their ambassadors. In sum, there was a host of options, but none of them came about.

And so, for those who harbored those hopes, the resolution is a disappointment. I cannot say all of us are totally happy and satisfied with the content of the resolution. However, the part containing the proposals satisfied all the states, and that is why it was approved by consensus. Let me repeat, there were paragraphs requiring a special vote that Panama voted against, but they were approved anyway. Therefore, there is no... [changes thought] When I said the resolution reflects what happened at the meeting, I mean it is a summary of the meeting's events.

[Vega] Mr minister, the OAS commission becomes a virtual peace mission that seeks our internal unity.

[Ritter] I would term it (?a double formula), to use the language of the commission. We must be frank. There is great desire in Panama, as well as uncertainty, to know what the future will hold as a result of the Electoral Tribunal's cancellation of the elections. For many people, this has created a sort of vaccuum. They do not know what will happen. In fact, no one does. The consensus is that there must be an agreement on an institutional formula. The president's mandate expires on 1 September, and we do not have an elected president to replace him. As you well know, in Panama, everybody is proposing his own formula and policy. I have heard talk of creating a constituent assembly, prime minister, provisional junta, and provisional governments. We have heard so many formulas. Everyone is giving their views, but the end result is that there is no agreement on how to continue after 1 September, now that the elections have been annulled.

The OAS commission has the (?vital) role of trying to reconcile the sides. That is the best meaning of the word reconcile: to try to reach an understanding. I hope the commission will do that job. I said it was welcome, and that, of course, the government will lend its full cooperation. However, when it talks of reconciling the political forces, this not only means the government, but the government parties, mass groups, unions, and all those forces that play a specific role in Panama's political life. And so, the task ahead for the commission is not easy, especially because of the complexity of the Panamanian situation, which sometimes is not understood.

Compounding the domestic situation is the external situation, that is, the aggression Panama is experiencing, the economic measures the United States has implemented against Panama, and the exaggerated U.S. military presence in Panama. These are external factors that created the so-called crisis. In sum, with this host of factors, the outlook is very complex. Perhaps, a good will and mediating commission may begin to draft future formulas.

[Vega] Mr minister, I wanted to ask you two things: In talks with industrialists, businessmen, and the people in general, one senses pessimism that the OAS will decree an embargo on Panama, owing to U.S. influence. They wondered where the country was heading. Based on your remarks and my information, is that what you refer to as a disappointment, because there is no embargo? Is that correct?

[Ritter] That is correct. It was reckless of people here and abroad to ask the OAS to order an embargo or Panama's total isolation. No matter how fierce a political struggle may be, I do not think we can ask for measures or sanctions against a country. In that sense, it was a disappointment for those who supported that sort of action or the definite break of the OAS member countries with Panama. Moreover, as for a total embargo, the OAS resolution is a disappointment because it is far from being a coercive action or a sanction along those lines.

Ritter 'Pleased' With Resolution

FL1805173089 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 18 May 89

[Interview with Foreign Minister Jorge Ritter by unidentified reporters; in Washington, D.C., on 17 May—recorded]

[Text] [Ritter] Before the resolution was debated I said that we would welcome the idea of an OAS commission visiting Panama. I have not changed my mind. I feel that it is necessary for a commission to visit Panama and see first hand what is really happening in Panama. I think that if they go to Panama with an open mind, as I think they will, there will be no problem. Panama joined the other countries in approving the formation of that commission.

[Reporter] Do you consider this a victory for Panama?

[Ritter] I would say that it is an OAS victory. The OAS will now take on the role of mediator. However, those persons who are not aware of the real role of the organization and who thought that a resolution would be approved condemning General Noriega, that a communique would be released announcing the winner of the Panamanian elections, or what should be done with the results of the elections, have no knowledge of the role of the organization or the principles on which it is based. Furthermore, one country tried to get the OAS to stress that the results of the elections had to be disclosed and that the will of the people be respected. That amendment only received two votes. This proves that the organization does not want to make that type of condemnation or make a decision appropriate only of...

[Reporter, interrupting] You are pleased with the results?

[Ritter] I am very pleased.

[Reporter] What about the mention of Noriega's name in the resolution.

[Ritter] That was not voted as part of the resolution. I continue to say that this does not add to a resolution designed to strike a balance. There was some pressure to have Noriega's name included in the conclusions, not in the resolutory part which I would have considered unacceptable, and it was done. But the overall resolution calls for a commission that will mediate in the conflict.

[Reporter] It clearly states that it will mediate in the transference of power?

[Ritter] Yes, in the transfer of power.

[Reporter] Will you accept that?

[Ritter] Of course I do. A political contest always ends in a transfer of power.

[Reporter] [Words indistinct] power Noriega exerts?

[Ritter] I do not think you have understood the resolution.

[Reporter] Mr Foreign Minister, when will the commission arrive in Panama?

[Ritter] The commission has until 5 June to submit its report. At that time we will meet again and hear their report. The date for the visit is open.

[Reporter] Are you pleased that both the United States and you agree with the resolution?

[Ritter] I am pleased with the resolution. I welcomed the idea of a commission. We said that from the very beginning of the meeting. I suppose the United States is happy because the president's...[corrects himself] Gen Noriega's name is mentioned in the document. That is all they wanted. That is something personal between the U.S. presidents and Gen Noriega and I do not know the reason why. It may be some secret between them.

[Reporter] Do you think that State Secretary Baker is trying to change the outcome of the meeting to make it look like a victory for the United States?

[Ritter] The United States has always had the overwhelming power of saying what it pleases. If they are pleased and want to say that they have achieved a resounding diplomatic victory....[thought not completed]. The text of the document and the expectations born when the meeting was called....[thought not completed]. Just read today's papers. They expected that the OAS would condemn Gen Noriega; they expected some recognition for the results of the elections. Read the text of the document and tell me if the United States can feel pleased.

[Reporter] There was no [word indistinct] condemnation?

[Ritter] Absolutely not.

[Question] [Words indistinct]

[Ritter] Let us wait until the OAS commission sees what is happening and makes some recommendations so that it will not look as though we, who are politically involved, are suggesting those alternatives.

[Question] [Words indistinct]

[Ritter] We want the commission to study the situation first hand and try to bring the parties in conflict together. I do not wish to guess what could happen because I would be speculating and it would be like putting a straitjacket on the commission. When I welcomed the commission's visit I told them I would not do this.

Noriega, Solis Attend Ceremony

PA1905044889 Panama City Domestic Service in Spanish 0355 GMT 19 May 89

[Report by Alberto Sanchez Delisle]

[Text] A ceremony expressing massive support for General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, just ended here at the La Huaca room at the Atlapa Convention Center. There was an array of political and cultural activities, including performances by folk dance groups. The event expressed support for Gen Noriega's firm nationalist stance over the last 2 years and his sustained determination to recover our total sovereignty in the year 2000.

The local and foreign press accredited in Panama has been here at Atlapa since approximately 1900 and is still here, covering this event that was organized by health workers belonging to the NUPA [Ni Un Paso Atras—Not One Step Backward] movement.

Both Gen Noriega and President Manuel Solis Palma were present at the La Huaca room, along with health official Orlando Allen, Health Minister Dr Francisco Sanchez Cardenas, and FDP officers Lieutenant Colonel Theodore Alexander and Major Carlos Arosemena King.

Noriega Remarks to French Media

PA1805190589 Panama City Domestic Service in Spanish 1759 GMT 18 May 89

["Excerpts" of interview with General Manuel Antonio Noriega, head of the Panama Defense Forces, by French media; date and place not given—recorded, broadcast in progress]

[Text] [Noriega] ...policemen were protecting the [opposition] candidates. Proof of that is that several policemen were the ones who were truly injured. Here we have [a photograph] of one of them.

Why then this harsh criticism of Panama? I'll answer myself: Because of disinformation? Why the disinformation? Because the United States wants to remain on our sovereign territory. Because the United States wants to remain here with its military troops. Because the United States needs military bases to control the Caribbean Basin, Central America, and South America. Thus, we are the target. Why is there no talk about any country to the south? Why is nothing said about Bolivia, Venezuela, Ecuador, or any fraternal country to the south? Why? Because there is no canal there.

Avoid 'U.S. Provocations'

PA1905004089 Panama City Televisora Nacional in Spanish 2349 GMT 18 May 89

[Text] Colonel Guillermo Wong, head of the Panama Defense Forces G-2 [intelligence service], today urged the Panamanian people to avoid U.S. provocations. He also asked the people to remain calm and to use common sense.

In a communique released late this afternoon, Col Wong said the Panamanian Government's security services—in view of signs that the United States will stage new provocations with the support of anti-Panamanian, corrupt groups—call on the people to avoid these provocations. He said these provocations could create the conditions the U.S. military needs for a direct intervention.

The desire for peace, as well as common sense and calm, should prevail above provocations that could only lead to internecine confrontations, which is what the United States wants, Col Wong's communique concluded.

Further Reportage on Post-Election Reaction

PALA Presents Crisis 'Options'

PA1905032289 Panama City MEDIODIA in Spanish 18 May 89 p 3

[Communique issued by the Labor Party, PALA, Political Committee in Panama City on 17 May: "PALA Presents Three Options To Reach National Agreement"]

[Text] The Labor Party (PALA) was the first party to defend with determination the holding of the elections on 7 May. We promoted the formation of a political alliance to promote participation by the largest possible part of the population because the struggle for national liberation demands that all genuinely nationalistic forces join efforts to continue overcoming the obstacles on the path toward 31 December 1999.

We at PALA believe in a healthy confrontation of ideas and in politics as a noble exercise and a moral obligation of all Panamanians.

For this reason, PALA members regarded the elections of 7 May as an important step on the path toward the deepening and consolidation of democracy in Panama.

We worked with enthusiasm, zeal, good faith, and patriotism.

For this reason we deplore that, because of the many irregularities that occurred on 7 May, the Electoral Tribunal had to annul the elections because it was impossible to announce any winner, either from COLINA [National Liberation Coalition] or ADOC [Civic Democratic Opposition Alliance].

We state the following in view of the annulment of the elections:

1. We recall that the term of the current government and Legislative Assembly expires on 31 August 1989. In other words, the Constitution stipulates that a new president, vice presidents, and a new Legislative Assembly—which were supposed to be elected during the now invalidated elections of 7 May—must be installed as of 1 September.

2. There is no real possibility of holding new elections before 1 September.

3. Therefore, on 1 September we will find ourselves in a de facto situation outside of the legal and constitutional framework; not only because of the provisions of the Constitution and the laws, but because of our country's current situation.

What options are available to find a solution to our nation's problems?

We will outline these various options with the firm hope that they will prompt an honest debate that will lead to the national agreement all Panamanians long for.

First Option

That after 31 August the minister in charge of the presidency remain in his post and the legislators remain in their respective seats until such a time as the country's political conditions permit an adequate change in the executive and legislative branches.

Second Option

That the minister in charge of the presidency remain in his post after 31 August and that upon the expiration of the Legislative Assembly's session it be automatically dissolved. Beginning on that date, the chief executive [ejecutivo] will rule by "cabinet decrees" enacted together with the cabinet. The chief executive will remain in office until such time as the country's political conditions permit an adequate change in government.

Third Option

Based on the search for national reconciliation, PALA proposes "a dialogue" and talks among the political opposition, the government, and the Panama Defense Forces. In our opinion, these groups are decisive to reaching an understanding. These groups therefore have the historic duty to the fatherland to provide a real and effective solution over and above their personal, economic, political, or any other kind of interest.

From this agreement a provisional government junta, a national reconstruction junta, or a junta under some other name must emerge. This junta would have to consider the following options:

A. Advisability of electing a constituent assembly.

B. Advisability of making a new call for general elections at an opportune time.

C. Measures conducive to an overall reconstruction of the Panamanian state at the moral, economic, social, and political level.

PALA reiterates that it is fully prepared to begin immediately and with all sectors an analysis of the options available to us Panamanians with regard to the delicate situation our country is experiencing as a result of the annulment of the elections.

Panama, 17 May 1989
On behalf of the PALA Political Committee:
Juan A. Medrano
Jose A. Alessandria
Nestor Tomas Guerra
Ramon Sieiro Murgas
Jack Cardoze Amador
Roberto Barragan
Walter Coriat
Carlos Sinisterra
Arturo Diez
Jose Maria Redondo
Alberto Velasquez
Eduardo de Obaldia
Franklin Raymores
Nicolas Alvarado
Alejandro Vernaza
Arturo McGowen
Carlos Clement
Armando Aizpurua A.

Noriega Assassination 'Plot'

PA1805185989 Mexico City EL DIA in Spanish 16 May 89 p 11

[Article by Anamaria de Paulis]

[Text] Panama City, 15 May—The United States is reportedly concentrating its efforts on an operation that is to lead to the death of General Noriega, intelligence sources have told EL DIA. Behind the smokescreen of a military deployment prior to an intervention, a "conspiracy phase" is fully under way. The preferred method is an internal coup or the use of Panamanians for an assassination. As a final alternative, there are the Delta Forces within the contingent of 2,000 troops of the special forces President Bush sent to Panama on 12 May.

Dozens of Delta Forces troops were also among the special forces that arrived in Panama in March 1988, when a "coup" by the police chief at that time, Colonel Leonidas Macias, was foiled. Also at that time, U.S. sources discussed implementing a "surgical operation" to eliminate Noriega. The Delta Forces are highly specialized units used in all kinds of missions, including (although this might not be the best example) the attempt to rescue hostages in Iran.

Political, economic, and military pressures have reached their climax. An intervention would be very costly, so the United States is already fully involved in the "conspiracy phase." Despite large-scale military displays and invasion threats, conspiracy is the chosen path, the source pointed out. This might well be the option preferred by former CIA Director Bush.

In this regard, the most recent statement made by U.S. Ambassador Arthur Davis before leaving Panama is more significant than ever: "Goodbye, until a legitimate government is installed." Davis' statement sounds like an obituary. It suggests serious internal divisions within the Panama Armed Forces, but claims to know nothing as to the "time and circumstances" under which actions would occur.

Attention is focused on the 17 May OAS meeting. In that regard, we could also note that U.S. foreign policy has entered the conspiracy phase with master Bush. Negroponte is doing his thing in Mexico; his record is too well-known to dwell on it again. Otto Reich, a nationalized Cuban with extensive experience in inteligence circles, is the head of the U.S. diplomatic mission in Venezuela.

One of the first demands of Southern Command Chief General Fred Woerner was authorization of resources to allow military action to fight drug trafficking, as he recommended during an appearance last February before the Budget Committee's defense subcommittee. These are infiltration forces more than forces for a military display. Woerner asked the committee for special Navy support units to improve the ability to help "forces guard their rivers and coastal areas in host countries." That is, he asked for resources to infiltrate troops from the old Central American scenes into South American territory, where U.S. interests are now focused.

In this regard, Panama is once again a key country; it is the gateway to the south. In addition, its transient society is more easily assimilated than those of other countries on the continent.

Within this framework, the increase in U.S. troops in Panama is sending a military message with a clear political twist that is dangerous to all Latin America. The annulment of elections broke the scheme of the United States, which was ready to denounce a "fraud" had the official candidate Carlos Duque been proclaimed as victor. However, the fraud scheme is being maintained and pressure is being applied on Latin America, which is easy prey to economic blackmail in the negotiation of their foreign debts.

A Latin American diplomatic source expressed his concern over this when he said: "Latin America is playing with a double-edged sword by supporting U.S. policy toward Panama to a lesser or greater extent."

The same source said that at least in the traditional sense, the situation has gone beyond threats to the use of force. He added that the United States is interpreting as it wishes the music being played by the Latin American orchestra, which despite verbally condemning intervention in the internal affairs of Panama, is in fact promoting intervention by passing judgment on and criticizing the Panamanian situation. It is promoting intervention in an already excessively wide range: The gringos can do anything, except invasion; that is how the United States will interpret the music played by Latin America, the source concluded.

Meanwhile, Paraguay is preparing the apotheosis of General Rodriguez, a noted and recognized drug trafficker who emerged from a very doubtful election as the designated heir of Stroessner's 34-year-old dictatorship. Three Latin American presidents will attend his inauguration; Bush is sending his daughter as his government's representative. Carlos Andres Perez placed a plane at the disposal of Latin American foreign ministers who will attend the "coronation," to fly them comfortably to OAS headquarters in Washington. This is the apotheosis of a new democracy.

U.S., OAS To Keep 'Hands Off'

PA1805163789 Panama City CRITICA in Spanish 18 May 89 p 4

[Editorial: "Bush Blackmails the OAS"]

[Text] U.S. President George Bush's shamelessness has reached such levels in his desire to subdue the Panamanian nation and people that he did not have the slightest qualms about convening the OAS so it would lend itself to those intentions.

We have all witnessed in the last few hours President Bush's shameless manipulation of this organization, which supposedly should be objective in resolving conflicts that arise among member countries, as long as these countries request such mediation.

It is no secret, for example, that the OAS does not have a single penny and is even having trouble these days paying for the expenses incurred by its sessions.

President Bush's blackmail is no secret either in the sense that he will pay the OAS' accumulated debt of $51 million—as long as it lends itself to condemning Panama, of course.

With all these precedents, it is not difficult to predict the outcome of this meeting, which was allegedly convened to discuss our country's affairs and to formulate what, in syrupy language, the Latin American foreign ministers meeting at the OAS call a "concerted action" among Panamanians.

The United States and its obedient lackeys also have no good intentions toward helping solve the problems that exclusively concern our people, and Panama is not asking anyone for magic formulas to solve our domestic problems.

That is why we once again reiterate to the United States and now to the OAS to keep their hands off Panama, thereby contributing to the peace in the region. There is still time. Tomorrow, it may be too late.

Warning of U.S. Army 'Abuses'

PA1905033589 Panama City Domestic Service in Spanish 1100 GMT 18 May 89

[Text] Citizens, be on the alert: U.S. troops have been mobilizing for several days now outside the Panama Canal defense sites, flagrantly violating the Torrijos-Carter treaties. Do not allow these foreign forces to intimidate you. If you feel threatened, or suffer any abuses by the U.S. Army, the first thing you must do is to remain calm and later report this to the Panama Defense Forces, whose highly-trained units will defend you and protect your family in the face of imminent danger.

Solitarity in Libyan Communique

PA1805170289 Panama City CRITICA in Spanish 17 May 89 pp 1, 19

[Communique issued by the Political Secretariat of the al-Mathaba International in May 1989; place not given]

[Text] COMMUNIQUE

POLITICAL SECRETARIAT OF THE AL-MATHABA INTERNATIONAL ON THE ESCALATION OF U.S. IMPERIALIST AGGRESSION AGAINST THE PANAMANIAN PEOPLE. MAY 1989

The political secretary of al-Mathaba International is closely following the escalation in the threats of military aggression and intervention announced by the U.S. Administration against the Panamanian people. In warning about the danger of this aggressive terrorist attitude by the U.S. Administration against the Panamanian people, it states the following:

1. That the Bush government's decision to intervene militarily in the internal affairs of the Panamanian people reaffirms the state, official, and organized terrorism adopted by the U.S. Administration as the established pattern in its relations with the peoples of the world.

2. That the U.S. Administration's policy of using force and threats of aggression against the Panamanian people affirms its rejection of and failure to recognize the right of peoples to set their own political course, thus contravening the UN Charter and international law.

3. That the continuation of threats, aggression, and the declaration of a state of war, as evident by the deployment of marines and other military forces by the imperialist U.S. Administration against peoples of the world... simply reflects the fascist spirit of the White House politicians and Pentagon generals... and that the slogans of the propaganda spokesmen from this terrorist administration on peace and international respect are nothing more than a rotten product for which they have tried to find a market in a world where hypocrisy and political demagoguery prevail.

That the AL-MATHABA INTERNATIONAL Political Secretary alerts all revolutionary forces and warns them of the dangerous situation the Panamanian people are facing and urges those forces to be ready to adopt urgent revolutionary measures to defend and protect the Panamanian people's freedom and their right to choose their own political course. It also reaffirms the slogan of the common struggle and the right to self-defense among the members of the AL-MATHABA INTERNATIONAL.

Forward, and the Revolutionary Struggle Will Continue.

Radio Praises Gen Noriega

PA1805204489 Panama City Domestic Service in Spanish 1808 GMT 18 May 89

[Station Commentary]

[Text] The present U.S. policy of political and economic aggression against Panama, initiated in July 1987, still has the same objective: General Manuel Antonio Noriega. Washington links the ouster of the Panama Defense Forces [FDP] commander with the U.S. retention of the Panama Canal—the main element of its hemispheric hegemony. To ignore or attempt to ignore the validity of these aspects would demonstrate a total ignorance of overall U.S. policy. In the chess game of Washington's continental strategy, Noriega is a piece that must be eliminated to secure perpetual U.S. control over the Panama Canal and U.S. military presence in Latin America. Without achieving the first goal, the second goal is more difficult for the Americans to attain. Gen Noriega is an obstacle for the future U.S. regional plans, because his presence guarantees that the FDP will play an important role in attaining our country's total political independence. He is an obstacle, because he will reject any attempt to revise the present canal treaties. Therefore, Washington must destroy, annihilate, and liquidate Manuel Antonio Noriega. The U.S. plan coincides with what Noriega represents to our country's oligarchic sectors. In contrast to former National Guard commanders prior to 1968, Noriega, as Omar Torrijos Herrera, does not represent the interests of the treacherous sectors that governed the country up to that time. The commanders of the former National Guard were pawns at the service of groups that represented a small sector and held power in the country to the detriment of our country's large marjorities. To the satisfaction of the groups that ruled the nation at the time and the country's powerful sectors, these National Guard commanders held their posts for many years. However, Gen Noriega had been the military commander for less than 2 years before he became the target of all kinds of pressures from oligarchic groups that saw in him, not only the continuation of Torrijos' liberation plan but an impediment to ever recovering the power they lost in 1968.

Once Washington and its local allies were fully identified with each other, they began a huge campaign to discredit Gen Noriega by slinging enough slander and lies against him to destroy 100 men who did not have the integrity and patriotism characteristic of our present military commander. Smaller campaigns have brought down the prestige and ousted important political figures in other countries. Washington and its allies were unable to achieve their objectives against Noriega simply because our people understood that the attacks on him were really against Panama and its most important interests. Panama backed Noriega because he upheld the defense of the country's struggles and causes. It could be no different, because, contrary to the position held by former military chiefs, Noriega is a son of the people. He is a man who comes from the marketplace area and has carried out his military career with dignity, with support from illustrious family names. Therefore, it hurts local oligarchs that the FDP is headed by a humble man such as Noriega and not by a person from their sector who would defend their interests. These interests, when counted in dollars, are the same interests upheld by Washington. That is why Panamanians understand that the attacks, aggressions, and infamous actions to destroy Noriega are really directed toward undermining Panama's integrity. That is why Noriega continues in his post and marches at the head of the nationalist forces that are willing to give everything for the nation's integrity until we attain final victory in the year 2000 and beyond.

PCC Member Resigns in Protest

PA1805120189 Mexico City EL NACIONAL in Spanish 14 May 89 p 3

[Report on interview with Luis Anderson, member of the Panama Canal Commission's Board of Directors and secretary general of the Inter-American Regional Organization of Workers, by Magdalena Peimbert—date and place not given]

[Excerpts] The United States is pressuring Panama to keep U.S. military bases in the canal area beyond the year 2000. "The strong antagonism that emerged between the governments of Ronald Reagan and Manuel Antonio Noriega has apparently prompted a change in U.S. policy regarding the transfer of the canal," said Luis Anderson, one of four Panamanian members of the Panama Canal Commission Board of Directors. He added that the U.S. decision to apply economic sanctions on Panama about 1 year ago is proof of this policy change. During an interview with EL NACIONAL, Luis Anderson said the U.S. Government's plans to stay in Panamanian territory beyond 31 December 1999—contrary to what is mandated by the Torrijos-Carter Treaties—"seems a difficult goal to achieve," because Panamanians, the Latin American people, and the EEC will pressure the United States to comply with canal treaty. [passage omitted]

As for internal problems in Panama, Luis Anderson accused the current government of ignoring the people's will during the 7 May elections, when 80 percent of the voters demanded a change in government:

"I was in Panama during the elections. I observed the voting and confirmed the civic spirit displayed by the people who turned out en masse to vote. I also witnessed how the government tried to discredit the election by stealing ballot boxes and distorting election results to create conditions for annulling the elections."

"As a Panamanian and a labor leader, I was able to move between different areas of the country. I concluded on Sunday evening that the regime had suffered a crushing defeat. I have no doubts about this, because this government would not have annulled the elections had it won by a single vote," he added.

As a result of the current government's policy, Luis Anderson told EL NACIONAL that he will inform the Panamanian minister in charge of the Presidency about his decision to "resign from the Canal Commission's Legal Directorate," to which he has belonged since January 1983, "because I must severe all ties with a government that, in my opinion, is going against the people's freedom."

Anderson said that he has defended democracy and the national liberation project all his life: "I have fought for liberty and social justice, but I can no longer identify with a government that is going against the most basic principles of democracy and liberty."

The movement started by the Panamanian people to make changes that would strengthen democracy cannot be stopped now, he added. "The regime might be able to restrain it with repression, as it has been doing this week, but the people will start new attempts to demand respect for their will," Anderson said after predicting a "terrible repression."

He added: This is because the military forces and the Panamanian Government, who hold power and have the weapons, refuse to understand that this historic moment allows no "imposition by a minority government." [passage omitted]

Stations Reminded To Join Required Network

PA1805164589 Panama City CRITICA in Spanish 18 May 89 pp 20, 19

[Communique issued by the National Media Directorate in Panama City—date not given]

[Text] The National Media Directorate of the Ministry of Government and Justice informs all owners of radio frequencies, without exception, that the National Information System continues to operate a radio network Monday through Friday from 1145 to 1200 with Radio Nacional as the key station. This office announces that recent checks by specialized personnel have revealed that many radio stations are failing to join the network in violation of strict orders issued by the Media Directorate in a previous communique.

We urge owners to be more careful in complying with this requirement, as the Ministry of Government and Justice will be verifying compliance.

Luis Romero Villalobos

National Media Director

PPA Removes Legislator Artola From Office

PA1805180589 Panama City LA ESTRELLA DE PANAMA in Spanish 18 May 89 p 1

[Text] The Ethics Committee of the Authentic Panamenist Party [PPA] yesterday issued a firm ruling removing Legislator Francisco Artola and Alternates Hilario Mojica, Boabdil Bernal, and Italo Delgado from office.

High-level PPA leaders also announced that the same sanction will soon be applied to Legislators Vianor Serracin, Hernan Garcia, and some alternates who have not been loyal to the party.

The purge started by the PPA in March has resulted in the expulsion from the party of Legislators Antonio Arias and Marcos Alarcon and Alternate Fulvia de Reyes.

Artola is the third legislator the PPA has removed from office.

* Traffic in Drugs, Arms Described

32190002 Paris LE MONDE in French 27 Apr 89 p 12

[Article by special correspondent Eric Fottorino: "Panama: Trafficking in Everything"; with introductory editorial paragraph]

[Text] The sanctions the United States imposed on Panama in 1988 have failed to shake that small country's economy. However, they have reinforced the hold of the "narcodollar" on Panama and encouraged all sorts of trafficking.

How does one lay siege to this country shaped like a lazy "S", cut in half by the oblique line of a canal, envy of two oceans and a magnet for thousands of businessmen fishing in very deep waters? In 1988 the United States wanted to overthrow General Manuel Antonio Noriega, the Panamanian strongman who is all too clearly implicated in drug trafficking. This "friend," now become an embarrassment, had to be hounded out to prevent any money laundering "bleach" from spilling over onto the White House...

The economic sanctions ought to have sent Panama up in flames. The canal company, under U.S. management, is no longer paying its rent. The Yankee companies are refusing to pay taxes. The Bank of America folded its tents, adding to the crisis of confidence in the Panamanian Banking Center. The GDP (gross domestic product) fell by 22 percent in a single year, and floating capital fled ($8 billion remained at the start of 1989, compared to $29 billion at the end of 1987). Unemployment has gotten worse (rising from 10 percent of the work force to 30 percent). But the anticipated explosion did not take place. The Americans thought they were putting the lid on a saucepan, but it turned out to be a colander. And one would have to be devilishly clever to plug all the holes. The closing of the banks for 9 weeks in the spring of 1988 did not prevent liquid assets from re-appearing. "The sanctions reinforced the hold the narcodollar has over Panama," says one foreign observer, while another opines that "it has never been so easy to launder drug money."

Mr Ricardo Arias Calderon, leader of the Christian Democrats and a candidate in the presidential elections scheduled for 7 May, can find no other explanation for the continued artificial buoyancy of the Panamanian economy. "Our per capita external debt is one of the highest in the world: the central government has taken all the international assistance for its own benefit. Economic activity in Panama has declined as sharply as in Nicaragua, which is ravaged by a civil war. The only way to survive was to increase the laundering."

While the banks were closed, the authorities paid civil servants by issuing government checks. Businessmen at first rejected them, fearing the state was bankrupt. "But we convinced them by assuring them that they could pay their taxes with those checks," asserts Eduardo Dudley, an official in the Ministry of Planning. This guarantee meant that new infusions of money would go into the treasury. "There was a proliferation of small exchange houses that bought up the government's checks at a 14-percent discount. There were interminable lines," Dudley continues. "The competition between these houses is so fierce that the discount has dropped to 2 percent. The source of their funds is not known, but they have helped the government solve the liquidity crisis..."

In the boom years, drug money (cash) was invested in skyscrapers, giving Panama City the skyline of a "Manhattan on the Pacific." The U.S. sanctions really gilded the lily by throwing everything into confusion. Now the narcodollar is inundating Panama. Perhaps it is the crumpled, Scotch-taped bill bearing the faded image of Washington that ends up in the taxi driver's pocket. Without question it is the money behind many honest and legal activities which can be carried on with the support of this odorless currency. The financial community, often sharply criticized, finds it easy to take refuge behind the laws in force. "You can't have freedom and control at the same time," one banker explains. The big foreign institutions (BNP [National Bank of Paris], Dresden Bank, and Union of Swiss Banks) have a policy of refusing cash deposits in excess of $100,000. The "malleteros" [men with suitcases] with their funds of questionable origin are being turned away. Despite that precaution, the bankers all know they are being used to launder money: it is a fact of life for any business in a country that is a repository for narcodollars.

According to a U.S. document, close to a dozen banks established in Panama specialize in laundering money that comes primarily from the sale of Colombian drugs. It is a curious coincidence that the Panamanian subsidiary of the Luxembourg BCCI (International Bank of Commerce and Credit), which is accused of laundering, used to manage the accounts of Gen Noriega's Panamanian Defense Forces [PDF]. To avoid complications, the army quickly switched to a bank of its own creation, the "Banco Institucional Patria" [Fatherland Institutional Bank]. If you want something done right,... The United States also has another establishment, the Tower Bank, in its sights. Managed by a Netherlander but held by Panamanians, it was hiring left and right at the very time competitors were laying people off—and in passing recruited some high-level executives from abroad. It made haste to buy up government checks as well as the other instruments that appeared with the liquidity crisis. But how to overcome presumptions, in a country which—unlike the Bahamas and Cayman Islands—refuses to budge an inch on banking secrecy?

The traces of "bleach" get lost in the maze of exotic commerce, both big and small, which has always made Panama a mecca for services of every kind, "pro mundo beneficio"... The flags of convenience and fly-by-night companies, bought for $285 in the secluded offices of an attorney, are the well-worn faces of the edifice. "You have to tell your lawyer everything. You have to explain to him that you want to evade taxes or disinherit someone," says one individual. "Then he creates an appropriate company, whose by-laws are printed out on a word processor. The employees are well-trained. All the official documents are prepared and sent out on schedule. Telex and telecopier services work perfectly, telephones are free... You couldn't get all that in Mali."

One hears of successful American writers who channel royalties into Panamanian companies they have previously set up for themselves. Along the same lines, Frenchmen who owned apartments in the wealthy sections of Paris reportedly sold them to Panamanian companies in 1981 in order to evade the tax on large fortunes. Similarly, it was through a dummy corporation that the sultan of Brunei bought a yacht from Saudi businessman Adnan Khashoggi. Every week the flight from Amsterdam is crammed with Chinese from Hong Kong who remain only a few hours in the capital—just long enough to obtain Panamanian passports. Nationality of convenience is the latest fashionable gimmick. When the "little tiger" reverts back to Beijing in 1997 these new Panamanian citizens will be able to establish themselves in Colon, a city on the Atlantic coast which, next to Hong Kong, is the biggest free zone in the world.

Colon is first of all a once-prosperous city, now ravaged by unemployment, delinquency, and the cumulative effects of tropical climate on its decrepit buildings. Encircled by high walls, next door to the port of San Cristobal, the free zone is a tiny boil of wealth. As a center for importing and re-exporting, it did $4 billion worth of business in 1988. The biggest single hole in the colander. "Colon serves as Colombia's lungs. It was impossible to keep liquidity out of a country that collects all the dollars coming out of Latin America," explains an exporter in the free zone. "Our economy is so open that the dollar is our real currency," says Ricardo Arias Calderon, apparently deploring the fact. No bank-bill has ever been engraved with the features of Vasco Nunez Balboa, the national hero who was decapitated in 1517. Curiously, however, his visage can be found on Panamanian coins. Still, for business purposes the dollar is king, and the United States can do nothing about it. Colon sops up excess liquidity like a sponge. Drug money, blended with licit earnings from oil or coffee, is transformed into stereo components, clothing and perfumes. In the port of Coco Solo near Colon, several dozen trawlers can be seen in their berths. They are flying Panamanian flags, but also Cuban, Colombian, Jamaican, and Dominican colors. Set back from the guarded canal zone, Coco Solo is considered the transit point for contraband. "Every month the port is closed for 3 or 4 days. It is impossible to get in. Military trucks are parked next to the ships. The soldiers spend their time loading and unloading merchandise," confides one free zone businessman. Drugs, arms, luxury items: the possibilities are limitless. "Quite often one learns that 300 Betacam cameras have suddenly disappeared," adds the same informant, "but nobody complains." Disturbing also is the role of Carlos Duque, the general's candidate in the presidential election, who heads the private firm Transito SA. This gold mine of a company skims 10 percent off most of the merchandise offloaded at Colon and above all at Coco Solo. Rumor has it that Carlos Duque is Mr Noriega's purser. According to another rumor, Noriega is Duque's, too. The Panamanian has a big heart—as big as Noriega's peaked cap, ample enough to cover both national and private interests.

"Drug money is not all. The regime has also supported the traffic in arms by providing a destination 'acceptable' to the international community, before sending them on to less respectable recipients," charges Ricardo Arias Calderon. In 1988 the hold of an East German ship boarded in the Canal Zone was found to be filled with military supplies ostensibly destined for the Peruvian navy. In reality the goods were to be sent to the contras in Nicaragua after a stopover in El Salvador. "Noriega will embrace any cause for money," opines one Panamanian entrepreneur. "In 1979 he helped the Sandinistas overthrow Somoza. Recently he supported General [as published] North's operations on behalf of the contras." In Panama the cease-fire between Iran and Iraq came as unwelcome news. The war was very profitable for enterprising forgers with enough ink and nerve to carry off a paper conversion of mortars into crates of green peas.

Even before the era when Panama organized recreational activities for GI's fighting in the Pacific, the inhabitants of the isthmus had forged a "false identity" in response to outside intervention. Panamanians are a passive and peaceful people, quick to adapt themselves to the most delicate situations. "An idea is the last thing anyone dies for in Panama," observes one foreigner ironically. This art of compromise has worked to the benefit of the most unexpected kinds of trade, defeating the U.S. strategy of strangulation. In Venezuela a sudden increase in food prices led to riots and the death of more than 500 people.

In Panama the crisis brought meat prices down 10 percent due to a decline in consumption. Employees accepted delays in payment and big wage cuts. American companies and their employees, forbidden to pay taxes, were unable to obtain a "passe salvo," an administrative document that must be renewed annually, without which one can neither drive a vehicle nor leave the country. The companies concerned have frequently succeeded in obtaining their "passe salvo" through Panamanian companies which, acting as intermediaries, pay the taxes on their behalf...

Profits that could no longer be repatriated to the United States have also helped sustain the trafficking and fill the coffers of local chiefs. "The law offices are doing a booming business with the money from unpaid taxes," according to one businessman. The United States has certainly tried to deprive Panama of its pre-eminence in banking by developing Miami as a money center. "But the investors have come back, because in Miami there is no secrecy," says a financier. While it may be true that "offshore" funds have left for other parts—the Bahamas, the Cayman Islands—they are still not lost to Panama, which still manages them. In 1988 the U.S. sanctions cost the Panamanian Government about $500 million in revenues. But there was a boomerang effect, since the latter stopped paying its debt service, which each year takes a $600 million bite out a way of life that costs an estimated $1.3 billion.

Has the crisis strengthened the isthmian economy? Appearances can be deceiving! "Panama is a well-hidden paradise," one merchant admits. It is difficult to understand how two worlds can be superposed in a country that is not really a country. International activity, directed toward the exterior, is still flourishing. The domestic economy, on the other hand, continues to deteriorate. "But insolvency was on its way well before the conflict with the U.S.," says Ricardo Arias Calderon, who severely criticizes the current economic model, which has been purchased by the country's growing indebtedness. In governmental circles the need for diversification is admitted. Out of the $150 million in Panamanian assets frozen in the United States, only about $5 million is left. Ex-president Delvalle, who was thrown out of office last year, reportedly used those funds for the opposition's campaign. True or false? The rumor mill is working overtime as the 7 May presidential elections approach.

On the facade of the National Theatre, in the colonial section of Panama, one sees cast images of Moliere and Shakespeare, Wagner and Rossini. But one looks in vain for the real face of Panama, so numerous are its counterfeits. What can one expect from a country where the canal is not at sea level, where the best hats come from Ecuador, where the sun rises in the west? Better to accept once and for all the fact that Panama is married to a life-sized ideal of the dollar. That is why this country, which serves as Central America's larder, draws its name from an Indian word meaning "abundance of fish [also "pimps" in the French]," preferably fat and gluttonous.

[box]

"Never, anywhere in the world, has such a small parcel of ground held so many French souls, so many sacrificed Frenchmen." The sun was already beating down hard that Tuesday afternoon in March when Gen Noriega, standing on a mahogany platform, began his speech commemorating the 20,000 Frenchmen who died just a century ago digging the Panama Canal. On the hilltop at Paraiso cemetery—the word means "paradise"!—where the bodies of French workers decimated by a malaria-carrying mosquito lie in repose, there reigned an atmosphere worthy of the "whodunits" of Graham Greene, a regular frequenter of Panama. Noriega's Dobermans, big-bellied soldiers with thick necks, stood immobile beside the sailors of the warship Jeanne d'Arc just back from Acapulco, swords drawn or machineguns at their feet. Tall and erect, wearing a cream-colored Panama with a black hatband, the French ambassador, Mr Jacques Rummelhardt, listened. "The history of the construction of the canal is one of much blood, sweat and tears," continued the defense forces chief, recalling Ferdinand de Lesseps, "the tragic figure," or the lieutenant Napoleon Bonaparte who first explored the canal route. Thus, in so many words, was the corruption of a century itself also "whitewashed."

An instant earlier, the general had not flinched at hearing the French ambassador refer to "our American friends and allies." The expression on the egg-shaped, pockmarked face that has earned him the nickname "Pineapple-head" remained undaunted. For Manuel Antonio Noriega sees France as a friendly country. One need look no further than the little red patch adorning his uniform, a Legion of Honor pinned on his chest on 7 February 1987, just a few months before the United States accused the general of being involved in drug trafficking. He proudly wears this unexpected mark of distinction. "In fact it is the only decoration he wears," people in Panama say, though to the French colony in the isthmus the Legion is nothing but a cross to bear. "A Legion of Honor! But in honor of what?" asks Ricardo Arias Calderon, leader of the Christian Democrats.

Officially, France considers it a meaningless exchange of courtesies. In 1986, General Jean Saulnier, then chief of staff in the office of the president, made a stopover in Panama while en route from Papeete to Washington. His plane did not carry enough fuel to fly direct. An admirer of the French army—he owns some charcoal sketches of the "handsome legionnaire" which he displays on occasion—Gen Noriega enthusiastically conferred Panama's highest military decoration on Mr Saulnier. The armed forces chief was still, as he had been for many years, a trusted friend of the Americans: throughout the decade of the 1970's, when Mr George Bush headed the U.S. clandestine services, he was subcontracted by the CIA to provide intelligence on Central America. The French bureaucratic machinery, in a spirit of reciprocity, ground out a Legion of Honor citation for "Manuel Antonio"...

"One must ask what France's interests are in Panama," suggests Ricardo Arias Calderon, who sees in the official explanation a good example of French Cartesian mentality that has an answer for everything. Once again the "bola"—Panama's version of the rumor mill—is spinning at full speed. Paris has sold the defense forces a Super Puma helicopter and a Falcon 20 airplane.

Panama has provided cover for French arms sales to the Near East. But one thing is certain: for more than 20 years the United States has denied permission for French planes to overfly its territory while carrying radioactive material to Mururoa. The combat aircraft used to detonate the bomb during "full-scale" airborne tests have also been banished from American skies. Sometimes France falls back on a 13-hour Antilles-Mururoa flightpath. A "maximum" flight duration that gives the planes no leeway to steer clear of bad weather. But the Panama Canal is both safe and quick. And the general's country turns a blind eye when ships transporting French nuclear materials present themselves at the Gatun Locks to climb the watery staircase up to the Pacific. The ships are safe. But what happened to honor?

Air Panama To Begin Flights to Cuba 1 June

PA1805120389 Panama City MEDIODIA in Spanish 17 May 89 p 5

[From the "Rapid Fire" column]

[Text] On 1 June, Air Panama will begin flights to Cuba, a new route for that national airline.

Argentina

Soviets, Buenos Aires Province Sign Agreement

PY1805130280 Buenos Aires TELAM in Spanish 0156 GMT 18 May 89

[Text] La Plata, 17 May (TELAM)—The Governments of the Province of Buenos Aires and of the Soviet Union today in this city signed an agreement in which the latter promises to examine the possibility of financing the sale of equipment, valued at $30 million, to overcome the problems that arise from floods in the northeastern area of the province.

The agreement was signed at Government House by Governor Antonio Cafiero and Aleksey Timoshenko [name as received], the head of the Soviet Union's trade mission in our country.

According to an official report, the Soviet authorities will now have to wait for a specific request for the equipment, which must be made within 30 days.

The agreement indicates that in accordance with what was established during the last meeting of the Argentine-Soviet Joint Commission that was held in Moscow in October 1988, the Soviet trade mission is willing to barter in supplying the equipment that will be used to overcome the problems caused by floods.

During the ceremony, Cafiero said: "I am convinced that the effort of nations cannot be stopped, and that this association of work, capital, and technicians is a formidable effort."

Menem Meets Alfonsin; Rules Out Early Turnover

PY1805182589 Buenos Aires Domestic Service in Spanish 1600 GMT 18 May 89

[Excerpt] President-elect Carlos Menem has said he will meet regularly with President Raul Alfonsin, if necessary once a month, until 10 December to let the transition period go as smoothly as possible and to give tranquillity to the country. He added that Justicialist Party and government delegates will meet for the first time tomorrow. Menem made these remarks during an orderly news conference that he hosted for nearly 100 journalists after a meeting with President Alfonsin. This meeting lasted a little over 30 minutes.

Menem, who was calm and willing to answer the journalists' questions, said his party will not engage in co-government, because it has not yet assumed power. The decisions, he said, are being made by the current administration. Menem also ruled out the possibility of turning over power on an earlier date. There are no chances whatsoever of reducing the presidential term, he said. [passage omitted]

Economy Minister Denies Rumors, Announces Plan

PY1905014889 Buenos Aires TELAM in Spanish 0104 GMT 19 May 89

[Text] Buenos Aires, 18 May (TELAM)—Economy Minister Juan Carlos Pugliese today denied rumors of knocking zeros off the australes, of freezing dollar deposits, of a money exchange holiday, or of the creation of a new currency. He did report, however, that a "miniplan" of economic measures to cover the transition period from now to December will be announced tonight.

Pugliese made these remarks in an impromptu news conference held tonight shortly before 2200.

Pugliese said the plan will include measures concerning prices—which will continue to be regulated—and that it will confirm collective bargaining agreements to discuss salaries, it will include new taxes and exemptions, and it will justify utility rate increases.

Pugliese said the money exchange policy "will be maintained." He announced that he will probably travel to the United States during the 1st week of June to meet with IMF officials to try to solve the Argentine foreign debt problem.

Austral Loses Sharply Against Dollar

PY1805211789 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1925 GMT 18 May 89

[Text] Buenos Aires, 18 May (NA)—At the close of black market operations today, the dollar was quoted at 160 australes (buy) and 161 australes (sell), which is a 22.9-percent increase over yesterday's quotations.

At the close of most of the exchange house operations today, the dollar was quoted at 161 australes (buy) and 165 australes (sell), which is a 25-percent increase compared to yesterday's quotations.

Average Home Electric Rate Hiked 35 Percent

PY1905001989 Buenos Aires TELAM in Spanish 2326 GMT 18 May 89

[Text] Buenos Aires, 18 May (TELAM)—The Energy Secretariat tonight reported that new electricity rates will go into effect as of tomorrow in areas serviced by SEGBA [Greater Buenos Aires Electrical Services] and by the Water and Electrical Energy Company.

In the case of SEGBA, there will be a 20-percent increase for home rates when consumption is under 250 kw/hours per 2 months; if consumption exceeds this mark, there will be a 51.5-percent increase. Thus, the average increase for home rates will stand at 35 percent.

Electricity rates for other types of consumers will increase by 40 percent, and electricity for industrial use will increase by 43.5 percent.

In the case of the Water and Electrical Energy Company, there will be 20-percent increase for home rates of up to 200 kw/hours per 2 months; rates for any consumption exceeding this mark will be increased by 42.5 percent; industrial rates will be increased by 42 percent; and all other consumers will have to pay 40 percent more for electricity.

Average Fuel Price Raised 40 Percent

PY1905004989 Buenos Aires TELAM in Spanish 2305 GMT 18 May 89

[Text] Buenos Aires, 18 May (TELAM)—The Energy Secretariat has reported that effective tomorrow, 19 May, the prices of all liquid and gaseous fuels will be increased by a 40-percent average, while State Gas will increase its prices by 40 percent to all consumers.

The following will be the new prices [in australes]:

Item	Unit	Old Price	New Price	Increase
gasoline, premium	liter	15.60	22.00	41 percent
gasoline, regular	liter	13.10	18.50	41.2 percent
gasohol, premium	liter	15.60	22.00	41 percent
gasohol, regular	liter	13.10	18.50	41.2 percent
kerosene	liter	6.86	9.65	40.7 percent
gas oil	liter	9.53	13.20	38.5 percent
diesel oil	liter	5.02	7.05	40.4 percent
fuel oil	kilogram	3.41	4.80	40.8 percent
diesel oil (preferential)	liter	4.45	6.25	40.4 percent
fuel oil (preferential)	kilogram	2.59	3.65	40.9 percent
GNC [no expansion given]	cubic meter	7.36	10.30	40 percent

The following prices will be in force in the Patagonia region:

gasoline, premium	liter	14.60	20.60	41.1 percent
gasoline, regular	liter	12.40	17.50	41.1 percent
kerosene	liter	4.26	6.00	40.8 percent
gas oil	liter	9.21	12.75	38.4 percent
diesel oil	liter	4.70	6.60	40.4 percent
fuel oil	kilogram	3.16	4.45	40.8 percent
GNC	cubic meter	6.92	9.69	40 percent

* 1989 Trade Balance Estimated at $2.8 Billion

33480162a Buenos Aires LA PRENSA in Spanish 28 Mar 89 p 20

[Text] The trade balance for this year will reportedly total an estimated $2.8 billion, "covering import financing and part of the financial services," according to a Rio Bank report.

In addition, the report states that meat consumption in December "fell steadily" as a result of declining purchasing power.

It predicts that "the sudden acceleration in the inflation rate will accentuate that effect."

The report adds that farm exports in 1988 totaled $6.361 billion.

It shows that "when 1989 export volumes for oils and grain were estimated in December, they were based on production figures higher than what is now anticipated."

Sales Abroad

Such projections, the report continues, calculated an increase in foreign sales of some $1.15 billion over last year.

The increase was attributed to greater production given yields similar to those of the preceding season.

The drought this summer resulted in heavy losses in soybean and corn production.

Soybean production was estimated at 11 million tons, but that figure has now been revised downward to 8 million.

With respect to meat, exports could amount to 300,000 tons. Revenue of some $650 million is anticipated.

The first estimate of agricultural exports made in December was $7.505 billion while the figure this month was reduced to $6.359 billion.

Cattle

With respect to cattle, rains at the end of February improved the grazing and, therefore, the capacity of the fields to produce fatter cattle.

The estimated total slaughter for that month was down from January. The total for the first 2-month period of 1989, according to the report, was 1.9 million head, 2.4 percent lower than the figure for the same period in 1988.

As a result of the reduction in the number of cattle shipped to market, the price for beef at the end of February was 12.7 australs, while it exceeded 14 in mid-March, an increase of 10.3 percent.

While the average value of the 1960 price index is equal to 100, the figure for the month of February was 92 and the behavior of quotes, given the smaller supply during the second half of the month, allows one to assume greater increases as the grazing capacity of the fields recovers.

Nevertheless, one cannot expect significant increases because supply shows seasonal increases during the autumn months at any rate.

In addition, the foreseeable drop in the purchasing power of wages will define the demand for beef.

Since December, meat consumption has "steadily dropped" as a result of the "incipient deterioration in the purchasing power of wages. The sudden acceleration in the inflation rate will accentuate that effect," the report states.

Both the average weight and the percentage of females in the slaughter have followed the summer pattern.

The average weight dropped to 209 kg and the percentage of females increased by approximately 2 percent.

Export Price

For exporters, while the price in dollars dropped as a result of the correction in the exchange lag, it continues to be high for the completion of operations.

In agriculture, FOB [free on board] Buenos Aires quotations for new wheat were $155 a ton at the beginning of March, the report states.

Prices at the time of shipping for corn, sorghum, and soybeans are $121, $105, and $277, respectively.

If the current exchange parity continues, revenue in australs will yield high profits as a result of a "mix" of 80 percent of the official exchange rate and 20 percent of the dollar rate, giving a level of about 20 australs to the dollar. This exchange rate, expressed in March australs, is close to that of October 1987.

Initial production estimates made previous to the drought had to be modified and production is not currently expected to exceed 5.2 million tons of corn, 2.7 million tons of sorghum, 2.6 million tons of sunflower seeds and 8 million tons of soybeans, while wheat will total an estimated 8 million tons.

* $3.6 Billion 1988 Trade Balance Surplus Noted

33480162b Buenos Aires AMBITO FINANCIERO in Spanish 11 Apr 89 p 4

[Text] Last year, the trade balance registered a surplus of $3.622 billion, an increase of 569.5 percent over 1987.

In 1988, exports rose 40.6 percent compared with the previous year, while imports dropped 8.6 percent.

These figures are from the statistical report drafted by the Secretariat of Industry and Foreign Trade (SICE) and released to the press by Undersecretary of Foreign Trade Eduardo Spector, who emphasized the growth achieved in exports of industrial manufactured goods.

In 1988, exports totaled $8.942, an increase of 40.6 percent over last year's volume of $6.360 billion.

For their part, imports went from $5.819 billion in 1987 to $5.32 billion last year, a drop of 8.6 percent.

Consequently, the trade balance for 1988 was $3.081 billion, which, compared with the 1987 figure of $541 million, reflects an increase of 569.5 percent.

Exports of industrial manufactured goods (MOI) last year totaled $2.45 billion, $760 million more than in 1987, an increase of 45 percent.

For this year, exports of industrial manufactured goods reflect a rising trend, totaling $395 million for the first 2 months and yielding an increase of 28.6 percent over the same period last year.

Increase

In 1987, total exports represented 9 percent of the gross domestic product. They rose to 12 percent in 1988, while the share of the gross industrial product made up of exports of industrial manufactured goods increased from 7 percent in 1987 to 10 percent in 1988.

The growth in exports from the different sectors was not uniform, according to the SICE report, since the sector comprised of "Common Metals and Articles Manufactured From Them" had a 95.5-percent increase in foreign sales, while those of "Artificial Plastic Materials" rose 51.5 percent and the rest of the industrial manufactured goods rose 136.2 percent.

The Secretariat of Industry and Foreign Trade attributes the favorable results of the 1988 trade balance to the stability of the rules of play that make it possible to plan the entire foreign trade operation with a high degree of predictability. The report had not contemplated what would happen in February.

The exchange parity which clearly favors the exporter and its continuing adjustment are also emphasized.

* Soviets Seek Expansion of Trade Relations

33480162c Buenos Aires LA PRENSA in Spanish 2 Apr 89 Sec 2 p 2

[Text] "The volume of our commercial exports to Argentina is the highest of any Latin American country," said USSR's new trade representative in Argentina, Anatoliy Vasilyevich Timoshenko, at the press conference given at the Argentine-Soviet Chamber of Commerce, where he emphasized "the renewed prospect of developing trade relations between the two countries.

"The volume of trade with Argentina totaled $950 million in 1988, despite the fact that bilateral trading conditions clearly favor Argentina," he noted.

Immediate Objectives

Economic and trade relations between the two countries should have a broader base in order to be more balanced," the Soviet official said, repeating his concern over the imbalance now existing in commercial relations.

Prospects of development should not be sought solely in commercial trade, but also in the development of industrial cooperation, co-participation in the construction of projects, including the formation of joint enterprises and plants, even with private enterprises and Argentine provinces. As an example, he pointed to the agreement signed between the Russian Federative Soviet Republic and Cordoba Province.

The possibility of extending cooperation with Buenos Aires and Santa Fe Provinces is now being studied.

Purchases and the Marketing of Products

In 1989, the USSR plans to continue buying products (mainly agricultural) from our country and supplying machinery, equipment and energy products, as well as goods for agriculture, roads and transportation.

Russian Bank in Buenos Aires

In order to improve efficiency in commercial relations between the two countries, the trade representative said, an agency of the Bank of Foreign Economic Activities of the USSR has been opened in Buenos Aires. He added that all payment for Argentine goods going to the Soviet Union is in cash.

Joint Enterprises

In addressing this point, the Soviet commercial representative said that starting in December 1988, a government provision had been adopted in the USSR on the development of government and cooperative enterprises and other associations and organizations, based on which favorable conditions will be created inside Soviet territory for the founding of joint enterprises with the participation of foreign organizations and firms.

Timoshenko emphasized that the establishment of joint Argentine-Soviet enterprises, particularly agroindustrial complexes and light industry, in the territory of the USSR is now being studied.

Finally, the Soviet commercial representative stressed that the establishment of joint enterprises would not be Argentina's first venture in the USSR, inasmuch as an agreement was signed between the two countries in December to set up an Argentine athletic goods enterprise. In addition, a protocol was signed to set up a joint enterprise that would produce and sell antihail equipment in Argentina.

* Electric Interconnection With Brazil Proposed

33480162d Buenos Aires AMBITO FINANCIERO in Spanish 23 Mar 89 p 41

[Article by Nestor Escribano]

[Text] The electric power emergency led us to propose (see "Financial Sphere" of 2 January 1989) a reasonable short-term solution: energy integration into the Rio Plata Basin or, more specifically, an electric interconnection with Brazil. At the time, we said, "The 500 km connecting us with Itaipu would cost less than $100 million and the time of execution would be under 2 years.... The spectre of the 60 cycles began to be brandished. There is no such obstacle. The line (500 km and 500 kv) through Posadas would link the 500-kv distribution plant and the 50 cycles of Electrobras (in Itaipu) with the 500-kv distribution plant and 50 cycles of water and electric power (in Yacyreta)."

For Argentina and Brazil, laying the line between Itaipu and Yacyreta would simply mean "buying" a Chocon for $100 million, in other words, at less than one-tenth its value and in less than one-fourth its time of construction. Argentina would have reserve power through the line equivalent to the capacity of El Chocon (1,200 MW). The power of Electrobras at Itaipu in 50 cycles is 6,000 MW.

Brazil would also have that same reserve "Chocon" in its electric power system to handle emergency situations such as the one our country is now experiencing. In normal situations, our National Interconnected System is able to meet a demand of that magnitude. Since the benefit is mutual, the costs would be shared: The cost for each country would be $100 million.

Following publication of the proposal, the media here and in Paraguay took up the issue and registered differing opinions on the matter.

Something similar was proposed by the governor of Misiones on the basis of work done by technical teams from the province. Different experts from Paraguay expressed their opinion, some stating that Itaipu had been built for the development of Paraguay and Brazil and that its power could not be sold to Argentina, and others demanding a modification of the Itaipu Treaty permitting Paraguay to sell its energy surplus to Argentina.

One Paraguayan daily also took up the opinion of a Santa Fe deputy arguing for the formation of an energy common market.

The repercussions of the issue indicate that the idea is at least worthy of discussion.

There are already electrical connections between countries in the area, some operating and others planned: Argentina-Uruguay through Salto Grande; Argentina-Paraguay (Yacyreta, Carlos Antonio Lopez-Eldorado, Encarnacion-Posadas, Clorinda-Asuncion); Brazil-Paraguay (Itaipu); Brazil-Argentina (Santo Tome-Sao Borja, Paso de los Libres-Uruguayana).

However, the connection between Itaipu and Yacyreta would add an element which, because of its importance, would imply a qualitative and quantitative change. It would place us on the threshold of a serious process of integration.

We could then think about regional, no longer national, planning of energy investments.

Among other things, this possibility should be supported by international credit organizations which are always involved in the financing of major infrastructure projects. They might even propose integrated planning as a requirement of rationality.

A regionally integrated energy system that rationalizes its investments costs less than several isolated national systems, which demand proportionally higher reserves. Countries overwhelmed by their foreign debts cannot afford the luxury of investing more than they need in a more efficient system.

It is interesting to observe the different positions adopted in Paraguay, given the possible connection between Argentina and Brazil. On the one hand, the idea seems to provoke a resounding rejection: The Itaipu Treaty does not allow such a move. Other more flexible positions argue that the rigidity of the treaty damages Paraguay. In preventing it from selling energy to a third country, Argentina, Paraguay loses a profitable option. Consequently, the treaty must be modified.

However, the two positions have a common denominator: the feeling that an agreement between Brazil and Argentina could hurt Paraguay.

It so happens that the Itaipu (like the Yacyreta) Treaty was conceived at a time (1973) when the Argentine-Brazilian "rivalry" was an almost undebated fact, which we can now fortunately rule out. Both instruments foresaw that Paraguay could not sell energy to a third country. For Brazil, the third was Argentina and vice versa. This was the real meaning of Article 13 of both treaties, and the fact that the number and text of the article coincide is no accident.

However, this is not the heart of the matter. It would not make sense for progress on the integration process between Argentina and Brazil to be made at the cost of bitterness for the Paraguayans. Such a connection would undoubtedly be one more step toward complete integration of the region from which neither Paraguay nor Uruguay could be excluded.

Furthermore, there has also been talk of the connection with Chile, and it would be legitimate for Paraguay to think at some time about an interconnection with Bolivia or Brazil with Venezuela. The time may vary, but none of these moves toward integration should be ruled out. One could say that the energy crisis has had its positive side: bringing out the possibility of moving forward in the integration process in a sector of particular importance to countries in the area.

'Naval Sources' Reveal Modernization Plans

PY1905010789 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1615 GMT 18 May 89

[Text] Buenos Aires, 18 May (NA)—Naval sources have revealed that the refurbishing of the aircraft carrier "25 de Mayo" and the incorporation of three missile corvettes, which will be assembled in the country, and of three submarines with plenty of range when they are submerged are part of the modernization plan of the Argentine Navy.

The same sources consulted by NOTICIAS ARGENTINAS also added [words indistinct] naval air arm, because it has what is considered to be a large number of planes.

The "25 de Mayo," which was built in The Netherlands at the end of the 1940's, is currently anchored at the AFNE [State Shipyards and Naval Factories] shipyards in Rio Santiago, where it is undergoing the preliminary tasks of its refurbishment.

The plan, which was implemented in October 1988, provides for the installation of four new engines and advanced electronics, and an increase of its operational capability in order to achieve a greater cruising speed.

It is believed the vessel will be in operational condition at the end of 1990. Other advanced auxiliary elements will also be installed, such as catapults for launching planes and the modernization of its deck so that planes can land correctly.

It is also hoped that this year a Meko-140 class missile corvette will be incorporated into the fleet, which already has three of these corvettes in commission: the "Spiro," "Rosales," and "Espora."

The corvette is being built in Argentina with FRG technology, and it is part of a plan to incorporate two similar vessels in future years.

These corvettes are 91.2 meters long, and have a beam of 11.08 meters and a draught of 3.41 meters. Two diesel engines drive them at a speed of 27 knots, and they are mounted with sophisticated weapons, the source said.

The armament includes two gun turrets with twin Breda 40-mm cannon, one OTO Melara 76/62 cannon, and MM38 Exocet missiles.

The fleet is also made up of four destroyers ("La Argentina," "Sarandi," "Almirante Brown," and "Heroina"). They are of the Meko-360 type, which have greater firepower than the corvettes and can also carry two helicopters.

The modernization plan also provides for the incorporation of three conventional submarines (TR-1700 class) that are being built in Argentina with FRG technology and are considered to be unique in the world due to the range they have when submerged.

The naval air arm for the time being will not receive any planes, because it has a fleet of planes that inlcudes Super Entendards (long-range attack planes with Exocet missiles), Airmacchi MB-338's (training and patrols), Electras (surveillance and transport), and squadrons of planes for hunting submarines, the source concluded.

Bolivia

Vote Count Again Suspended in Potosi Department

PY1805174089 La Paz La Red Panamericana in Spanish 0000 GMT 18 May 89

[Excerpt] The Departmental Electoral Court of Potosi Department has once again suspended the vote count, thus causing another delay in that district.

Radio Panamericana's correspondent has sent the following report:

[Begin recording] Good evening, this is Panamericana reporting from Potosi. The vote count was once again suspended yesterday and today by the local Electoral Court. The mislaying of computer lists and the receipt of ballot boxes without the wax safeguard from Charcas Province have caused the Electoral Court to suspend the vote count for the provinces of Potosi Department.

The political parties and their representatives and the authorities have made a number of accusations. [Words indistinct] (Aguirre), through Oscar Bonifaz, has stated that the MIR [Movement of the Revolutionary Left] and the ADN [Nationalist Democratic Action] have allegedly joined forces in Potosi Department, thus trying to prevent the vote count from continuing.

Once these rumors came to the attention of the MIR, it immediately denied the MNR's [Nationalist Revolutionary Movement] accusation. [passage omitted] [end recording]

Brazil

Nobrega on Talks With U.S. Secretary Brady

PY1805173389 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 17 May 89

[Text] U.S. Treasury Secretary Nicholas Brady has told Brazilian Finance Minister Mailson da Nobrega that this year Brazil will be able to benefit from the plan that alleviates the foreign debt burden. Brady has designed a plan that proposes the reduction of the debt owed by the Third World, particularly Latin America. During their conversation, Brady briefed da Nobrega on the actions that the U.S. Government has undertaken to implement the plan. Brady explained to the minister that the U.S. Treasury is negotiating with the major private banks to agree on the guidelines of the plan.

During the meeting, which lasted an hour and 10 minutes, da Nobrega learned that if Brazil reached an accord with the IMF, it could benefit from the Brady plan as early as this year.

[Begin recording] [Nobrega] During the talks we held here in Washington with the IMF and with Secretary Brady, we got the impression that there are possibilities for Brazil to maintain the program that was agreed upon with the IMF last year, thus permitting us access to both IMF and World Bank funds for debt rescheduling programs.

[Question] Do you think Brazil will be among the first countries to benefit from the Brady plan?

[Nobrega] Look, I believe Brazil will be a major beneficiary of the Brady plan. I am quite sure of it. [end recording]

Wage Increase Delay Causes Military Unrest

PY1805183789 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 May 89 p 23

[By Eumano Silva]

[Text] Brasilia—The government's delay in defining a salary adjustment for military officers is causing discomfort and unrest in the barracks. In the past few weeks, anonymous letters have been circulating among the military, inciting them to revolt over the slowness with which a wage increase is being studied by Saulo Ramos, solicitor general of the Republic [consultor geral da da Republica].

"The military administration is concerned over a possible new Apucarana," a high-ranking adviser to a military minister said yesterday. He was referring to the rebellion that took place last year when an Army captain occupied the City Hall of Apucarana in Parana State, to demand a wage increase.

The military unrest is worrying the commanders, who have already distributed explanatory messages to calm the troops. The adviser, who has free access to Armed Forces information services, said that "the situation is beginning to become chaotic, creating a fertile field for those who are not committed to democracy." Regarding the wage increase foreseen for the public sector, he said: "This small 18-percent wage increase could be the last straw."

The concern of the military men goes beyond the barracks. Aeronautics Minister Otavio Moreira Lima met in the past few days with the other military ministers and President Jose Sarney to convince Sarney of the need to correct the salaries immediately.

For 2 months, Saulo Ramos has held reports from five different judicial advisory teams on equal treatment of wages between squadron admirals (who earn nearly 3,200 new cruzados) and Military Supreme Court members (who earn about 8,000 new cruzados).

Satellite Vehicle Prototype Launched

PY1805231389 Brasilia Domestic Service in Portuguese 2200 GMT 18 May 89

[Text] The launch of the prototype of the Satellite Launching Vehicle, VLS-2, took place at the Barrera do Inferno launch center today after a 2-day delay.

This launch represents a crucial test of the Brazilian space program, because it will allow Brazil to launch its own satellites.

The first mission of the VLS will be carried out in 1992 at Alcantara, Maranhao State.

Agreement Reached on Aeronautics With Argentina

PY1805040689 Brasilia Domestic Service in Portuguese 2200 GMT 17 May 89

[Report from Sao Paulo by Marly Moreira]

[Text] Brazil and Argentina have signed an agreement on industrial and trade cooperation in the field of aeronautics.

The agreement, signed between Embraer, the Brazilian Aeronautics Company, and (?SINCUSA) [expansion unknown], is part of the Brazil-Argentina agreement No 1, signed by President Jose Sarney and President Raul Alfonsin. The agreement provides for joint ventures to produce and market small airplanes for the domestic market of the two countries.

The first exhibit for customers will take place on 23 May 1989 in Canela, Rio Grande do Sul State, during the Fenaero, the aeronautics and agriculture fair.

Embraer President Ozires Silva said that the sale of these small airplanes represents barely 4 percent of Embraer's total sales. He said that Embraer sales are expected to reach $750 million this year. According to Silva, more energy is being directed toward another airplane, (?the "Brasilia,") which will be exhibited in the le Bourget's exhibit in Paris.

[Begin Silva recording] Concerning our sales program, we will (?participate) in the aeronautics exhibit in Paris which will begin in less than a month, namely within 20 days.

During the aeronautics exhibit in Paris, we will accept the first bids to buy our "CBA-123" airplane, which has also been developed in cooperation with Argentina.

We also hope to sign some sales contracts for the "Brasilia" airplane. [end recording]

This year, Embraer will produce 55 "Brasilia" airplanes as compared to the 45 produced in 1988.

Kidnapped Citizens Seek Government Support

PY1705131489 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 16 May 89

[Text] The three citizens who were kidnapped almost a month ago by Colombian guerrillas have asked for the support of the Brazilian government in negotiating their release.

Their recorded message was aired by Radio RCN from Bucaramanga, a city located 500 from Bogota. The Brazilian citizens, Augusto Carneiro Moreira Junior, Jose Roberto Reis, and Pablo Cesar d'Oliveira, are employees of BRASPETRO [PETROBRAS International, Inc]. On 2 May they recorded a message that was released today. Here is part of the message recorded by Eng Paulo Cesar d'Oliveira:

[Begin recording] I, Paulo Cesar d'Oliveira, Brazilian, who was kidnapped by the organization called the Communist Union-National Liberation Army [name as received] in the company of Brazilian engineers Jose Roberto Reis and Augusto Carneiro Moreira Junior, ask the Brazilian Government through President Jose Sarney to intercede with Colombian President Virgilio Barco. We hope that conditions will be created to expedite our release. [end recording]

The Colombian guerrillas say that they will negotiate the freedom of the Brazilian citizens once Colombia begins the nationalization of its oil deposits.

The Brazilian Foreign Ministry has already contacted the Brazilian ambassador to Colombia (Alvaro da Costa Franco) and asked for a copy of the tape to check if the recorded message is authentic.

Sodre To Negotiate Release

PY1805010889 Brasilia Domestic Service in Portuguese 2200 GMT 17 May 89

[Text] President Sarney today authorized Foreign Minister Abreu Sodre to initiate diplomatic negotiations with Colombia over the release of two engineers and a technician of BRASPETRO, who were kidnapped in that country.

President Sarney was informed yesterday about the appeal made by the kidnapped BRASPETRO officials.

Air Force Xavante Plane Crashes in Lagoa Verde

PY1705153689 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 17 May 89

[Text] A Brazilian Air Force [FAB] Xavante plane crashed yesterday afternoon in Lagoa Verde, located at 6 km from the city of Nova Cruz, in the Rio Grande do Norte state.

The pilot was identified as Officer Candidate Schumans. He parachuted before the plane crashed. It was reported that he is recovering at the FAB Hospital in Natal where he was taken after the accident.

This morning a team from the FAB Tactical Center will go to Lagoa Verde to investigate the cause of the accident.

Cuban Vaccines Used To Control Meningitis

PY1805185089 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 May 89 p 10

[Excerpts] According to Gustavo Sierra, head of research and development of the Cuban Public Health Ministry vaccine center, Cuba is capable of producing all the vaccines necessary to immunize all children in Sao Paulo against meningitis B. Sierra arrived in Sao Paulo on 14 May. He stressed that his country will not obstruct the export of vaccines. [passage omitted]

The first package of 100,000 doses of Cuban vaccines will arrive on 21 May. They cost $1 million. The main problem with the vaccine is, therefore, its price. "Each dose costs $10. We are negotiating with the Cuban Government to see if we can lower the price," said Secretary Pinotti [nor further identified].

Governor Orestes Quercia admits there is an epidemic of meningitis in Sao Paulo and adds that the vaccines are essential to control the disease. Quercia made these remarks during his radio program "Good Morning, Governor."

"We have begun the vaccination campaign. The first 16,000 children were in orphanages. We have used the first 50,000 doses donated by Cuba without detecting any side effects," Quercia said. The governor concluded by saying: "We will import another 300,000 doses. We will follow the Cuban experience in the matter."

Chile

Merino Says Plebiscite 'Will Be Held'

PY1805035889 Santiago Domestic Service in Spanish 2300 GMT 17 May 89

[Excerpt] The government and the opposition will reach an agreement and, therefore, a plebiscite will be held.

This was stated by Admiral Jose Toribio Merino Castro after a luncheon organized by the Santiago Rotary Club to celebrate the day of the Naval Glories.

Adm Merino said that the resumption of the dialogue was a very positive development.

[Begin recording] [Merino] The resumption of the dialogue is a very positive development. Progress can be made as long as there is a dialogue. When there is no dialogue progress cannot be made.

[Reporter] Do you think an agreement is possible?

[Merino] Yes, an agreement will be reached and so a plebiscite will be held. [word indistinct]. [end recording]

Jarpa, Caceres Discuss Constitutional Reform

PY1805145889 Santiago Domestic Service in Spanish 1030 GMT 18 May 89

[Text] National Renewal Party President Sergio Onofre Jarpa has said we are now much closer to reaching an agreement on constitutional reform. Jarpa made this remark at the end of a meeting with Interior Minister Carlos Caceres to analyze the proposals on constitutional reform. The meeting was one of many the government is holding with political leaders on the subject.

Jarpa met with Minister Caceres for over 2 hours. After the meeting he said the discussions are on the right track if we want to find solutions, because everyone involved is interested in reforming the Constitution.

Jarpa said the proposals of his party could be used to improve the government proposals. Jarpa also said he thinks the July deadline for the registration of candidates should be changed.

[Begin recording] [Jarpa] I think we still have time to carry out the reforms. I think we have to change the deadline for registration of candidates.

[Reporter] Did you submit a proposal on the issue?

[Jarpa] No, first we have to agree on the reforms the government is going to propose to the nation. Then we also need a law to modify the deadline.

[Reporter] How much do you think the deadline should be moved back?

[Jarpa] The deadline should be moved back 30 or 60 days. [end recording]

According to Jarpa, it is better if we reform the Constitution first, even if that means we will have a shorter electoral campaign period.

Army Deputy Chief Speaks on Pinochet's Command

PY1805212989 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 18 May 89

[Text] The Army favors President Pinochet remaining as commander in chief of that service. This was stated this morning by Army Deputy Commander Brigadier General Jorge Zincke during a meeting with defense journalists. He answered many questions about his service.

[Begin recording] [Reporter] What do you think about General Pinochet continuing in his post according to the Constitution?

[Zincke] At the beginning of this year, we held a meeting among all division and regimental commanders. On that occasion the Army, represented by its commanders, requested that General Pinochet continue... [changes thought] the service wishes that his excellency the president of the Republic and commander in chief of the Army continue as commander in chief, as specified by the Constitution.

[Reporter] General, what do you think of Pinochet running as a presidential candidate, as promoted by one group?

[Zincke] I think it is alright, because personally I think that without a doubt Gen Pinochet continues to be the best candidate. [end recording]

To another question, Gen Zincke answered that the Army will not accept public trials of officers of the Armed Forces and forces of the order, as proposed by leftist sectors.

Regarding the Army's position in face of a so-called popular rebellion promoted by some sectors, Gen Zincke said any attempt to disrupt the institutional order goes against the Armed Forces.

Jarpa Sees Possibility of Plebiscite in June

PY1905020889 Santiago Radio Cooperativa Network in Spanish 2300 GMT 18 May 89

[By Ana Laura Cataldo]

[Excerpt] According to developments in the field of constitutional reform, a plebiscite could be held in June 1989. This remark was made by National Renewal Party President Sergio Onofre Jarpa.

[Begin recording] [Jarpa] I think that as soon as an agreement is reached, the proceedings established by the Constitution on the holding of a plebiscite will be carried out immediately. We could, therefore, hold a plebiscite in June.

[Reporter] Could a plebiscite be held in June?

[Jarpa] I think there will be (?enough) time if the reform issue is settled next week.

I am very optimistic in saying this, but I have good reason to be optimistic. [end recording] [passage omitted]

Leftist Leaders Arrested in Santiago

PY1805220889 Santiago Radio Chilena Network in Spanish 1700 GMT 18 May 89

[Excerpts] In a few minutes, leftist leaders Jose Sanfuentes, Sandra Palestro, and Rafael Maroto will be presented at the 4th Military Court. They were arrested by Carabineros early today.

Carabineros sources have said the arrests are connected to a case that has been under investigation by the military court since 1986 and involves alleged offenses against the Armed Forces. [passage omitted]

Sandra Palestro was driven to the San Miguel police station, while Jose Sanfuentes and Rafael Marote—arrested in Nunoa and La Reina—were taken to the 4th Military Court on Antonio Varas Avenue.

Sanfuentes is a member of the Communist Party Central Committee, while Maroto is the spokesman of the Movement of the Revolutionary Left, MIR. [passage omitted]

Arrests Called Provocation

PY1905025789 Santiago Radio Cooperativa Network in Spanish 2300 GMT 18 May 89

[By Jose Miguel Alfaro]

[Excerpt] The Coalition of Parties for Democracy [CPPD] has described the arrest warrant against Socialist Party-Almeyda faction leader German Correa as a provocation designed to scuttle the current negotiations on constituitonal reform. The opposition coalition also addressed the arrest of opposition leaders Sandra Palestro, Jose Sanfuentes, and Rafael Maroto.

CPPD spokesman Patricio Aylwin said these events were prompted by the sudden and suspicions reopening of an old case that was opened 3 years ago.

[Begin Aylwin recording] It is suspicious, to say the least, that this is taking place when we are engaged in seeking a broad consensus for constitutional reform, which is indispensable to ensure an orderly transition to democracy. It is unaccpetable that some outstanding opposition leaders are harassed and others are detained while the government holds talks with the CPPD. We consider this attitude a provocation designed to scuttle the current negotiations.

We ask the interior minister to mediate personally to put an end to this situation, as a sign of seriousness and goodwill at a time when the country demands peace, understanding, and democracy. [end recording]

Aylwin added that these events appear to be aimed at interfering with the talks with the government. They are suspicious and harm the relationship between the CPPD and the government.

[Begin Aylwin recording] I do not like to make statments based on speculation. It is clear, however, that there are pro-government sectors—I do not know if this also applies to the government—that would like things to remain unchanged and for the current regime to perpetuate itself in power. [end recording] [passage omitted]

New PCCh Leader Outlines 12-Point Program

PY1805152289 Buenos Aires TELAM in Spanish 0345 GMT 18 May 89

[Text] Santiago, 17 May (TELAM-ANSA) —Volodia Teitelboim, the new secretary general of the Chilean Communist Party (PC), has stressed that the party "will not place any obstacles in the path of putting an end to the dictatorship," and that "after reading the resolutions of the 15th congress, all the party's militants must clearly understand that they must work very hard in the upcoming election campaing."

In remarks to the newspaper LA EPOCA, Teitelboim, 72, writer and former senator and sports journalist, said that "the popular rebellion of the masses is the basis of the strategy and tactics that will be used in resolving Chile's main problem: fascism or democracy."

In this respect, he recalled that "the popular rebellion of the masses has been the object of a lot of distortion, lampoonery, and stigmas." He also maintained that "it must be taken as our revolutionary policy," and that "it is not a coup d'etat."

Teitelboim said that "the communist congress outlined three aspects regarding the elections for president and Congress that are to be held on 14 December 1989: There must be only one candidate for president; there must be only one list of candidates for Congress; and a basic common program must be signed by all the opposition parties."

This program contains the following 12 points: The need to win the elections; Pinochet and pinochetism must be defeated; a supra-military government must be rejected; truth and justice; those who are guilty of crimes against humanity must be brought to trial; all sales of enterprises to the private sector after 5 October (the date of the presidential plebiscite in which the Chilean president was defeated, must be annuled; the sale of enterprises to the private sector prior to that date must be revised; salaries in accordance with the cost of living; democracy must return to the universities and the educational system; the unit of account adjusted for inflation must be done away with; and interest must be shown in the problems of women, enviroment, and ecology.

Finally, Teitelboim stated that "Stalinism is an old formula because it did not recognize the value of democracy and freedom, because through decrees it established the cult of personality," and that "all we communists without exception love perestroyka."

Chilean CP Official on Underground Congress

AU1705114189 Prague RUDE PRAVO in Czech 12 May 89 p 6

[Article by Osiel Nunez, representative of the Communist Party of Chile to the PROBLEMS OF PEACE AND SOCIALISM: "About the Discussion Preceding the 15th Congress of the Communist Party of Chile; Struggle and Unity"—passages between slantlines published in boldface]

[Text] **Since the beginning of the year, preparations have been going on for the 15th Congress of the Communist Party of Chile [PCC] deep underground under stringent security measures. Thousands of meetings have been held in party cells as well as local and regional conferences. Theses pertaining to the congress have been discussed,**

and new ranking representatives of those bodies have been elected as well as delegates to the national congress, which is to be the synthesis and the culmination of the discussions.

The date of the congress is being kept secret although various Chilean information media have been intimating that it will be held in the immediate future.

The Congress of the Chilean Communists is a challenge to the dictatorship, and even though it is being held underground, its convocation has been accorded broad publicity. At a press conference at the beginning of this year, four prominent party representatives provided information about the holding of the congress; they were jailed afterward. The theses were extensively distributed to social organizations, democratic political forces, and mass information media.

The theses address domestic political problems and contain proposed directives for action in seven chapters: **The Present and the International Situation; The Experience of the People's Government; The Establishment of Fascism and Its Counterrevolutionary Plan; The Development of Antifascist Struggle and Party policy; The Antifascist Struggle Following the Plebiscite and the Policy of Popular Uprising; The Fundamental Issues of Our Policy; The Need For the Party's Qualitative and Quantitative Strengthening.** Particular stress is being placed on the policy of the popular uprising of masses being developed on a new level, on the policy which the PCC proclaimed in 1980. It is expressed by the need for people to amass forces in all spheres, with the objective of defeating tyranny no matter what form the confrontation might take, and it declares as lawful the right to defend oneself against the aggressivity of the regime.

The party repeats once more that the fundamental conflict in the country is between dictatorship and democracy; and based on this conviction, it calls on the opposition to arrive at the broadest possible agreement. **Struggle and unity, mobilization and understanding among all democrats, without losing the sight of the fact that the dictatorship is the main enemy, these are the fundamental principles of the policy of the Chilean Communists**, affirmed by the theses. It is assumed that the proclamation of the policy of popular uprising by the masses will also provide an opportunity to combine the defeat of the dictatorship with progress toward developed democracy in a single process.

The theses present problems openly. Regarding the people's government (which existed in Chile in 1970-73—editor's note), in addition to highly appreciating their accomplishments and the role of the party in achieving them, it shows that at that time in the PCC there existed evolutionary concepts about a total seizure of power, the influence of parliamentary customs, the overestimation of the economic struggle to the detriment of the political-military struggle, and so forth.

At present, the theses, are saying among other things that "victory and the recognition of the NO vote (that is, the rejection in the plebiscite that was held in Chile last October of Pinochet's remaining in the post—editor's note) have created a new political situation favorable for gaining democracy. The most probable thing is that Pinochet's departure and the end to tyranny will be achieved within the—complete or partial—framework of the existing institutions. An extensive operation in this direction is underway."

In an interview for EL SIGLO, the Chilean Communists underground newspaper, Luis Corvalan addressed several subjects including a report that cropped up in the press saying that he would give up the post of the party general secretary and be replaced by Gladys Marin. Corvalan said: "... To me it seems logical that my replacement is being contemplated before the congress. I have held the post for 30 years now. The party is filled with the spirit of renewal and the Central Committee, which the congress will elect, will have to come to an agreement, above all, on the appointment or election of a political commission, secretariat, control and cadres commission, general secretary and his deputy.

"The party has outstanding leading cadres. Gladys Marin is one of them; however, I cannot name names because I would be anticipating what the new Central Committee has to decide on, although, naturally, I have my own views in that respect.

"I can assure you that there are not and there will not be problems either with my replacement or with the election of whomever comes after me."

It is worth recalling that Pinochet's declared objective was the extermination of the Communist Party, of a party, which at the time of his coup d'etat was—according to election results—the country's third strongest party, and had—including the youth—280,000 members. The majority of its present members joined the party in the years of the dictatorship, and today the PCC is one of the main opposition political forces with workers, other strata of the population, youth, and intellectuals strongly represented.

Two Carabineros Attacked in Southern Santiago

PY1805225789 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 18 May 89

[Text] The Carabineros public relations office reported a few minutes ago that two members of this force have been seriously wounded in a terrorist attack in southern Santiago.

The attack took place today at 1300 on the corner of Las Industrias Street and Central Avenue. As the two Carabineros were patrolling the area on foot, five terrorists attacked them with automatic weapons. The terrorists, three of them men and two women, were using a white station wagon.

Four of the subversives got out of the vehicle and stole the weapons and communications equipment of the Carabineros. They all then fled. The two policemen, identified as Corporal Julio Pavez Ortiz and Carabinero Juan Carlos Carreno Cornejo, were taken to the Carabineros Hospital seriously wounded by the shots.

First Quarter Foreign Debt Figures Reported

PY1905025889 Santiago Domestic Service in Spanish 2300 GMT 18 May 89

[Summary] According to the Central Bank, the Chilean foreign debt was reduced by $497 million during the first quarter of this year. The Chilean foreign debt amounts to some $16 billion.

* Opposition Views Post-Election Army Role

33480170a Santiago ANALISIS in Spanish 17 Apr 89 pp 26-27

[Article by Juanita Rojas: "Declarations of Power"]

[Text] In a complex dance step of communiques, speeches, and expressions of opinion between members of the armed forces and political figures of the opposition, the problem of who will really hold power in the future government has come out in the open.

The advantage of words is that, although in certain circumstances their consequences can be catastrophic, they do not have fatal effects. That is why, up to now, no one knows how many casualties have been incurred in the real war of statements which has been unleashed in the last few weeks between the government and the opposition. There would be nothing unusual about this fact if it were not because, on this occasion, one of the participants in the battle of communiques is neither more nor less than the Chilean Army.

To a large majority of observers the statement which Roberto Hott, chief of public relations of the army, read in the name of the army was surprising. In the statement it was said: "The Army of Chile, represented by the military high command, in view of statements made by certain political personalities affecting the dignity and future situation of the president of the republic and commander in chief of the army, states with deep concern to the people that expressions of that nature cause deep feelings of repudiation by the army against the persons who have made those statements." The statement continued: "The army states that these offensive acts which seek to affect the image of the president of the republic and the commander in chief of the army are considered to have been directed against each and every member of the army." The statement concluded, reiterating the concept of the armed forces as guarantors of the institutional structure of the country.

For those who do not follow in detail the ups and downs of national political life, perhaps it was difficult to know against or to whom the army statement referred. No specific names or situations were mentioned in the statement. However, what is certain is that the question of statements made back to back has already had several "rounds." The opinion expressed by Clodomiro Almeyda, the socialist leader, in Havana at the end of March that General Pinochet should go into exile after the December elections caused hurt feelings among supporters of the government, who did not hesitate in denouncing Almeyda. In this respect Ricardo Nunez, secretary general of the Socialist Party faction which bears his name, said that whether General Pinochet wished to go or stay was not a problem for the rest of the Chilean people. However, he said: "The armed forces will have the opportunity to name another commander in chief of the army and of the other armed services, on the basis of the constitutional reforms which we are going to introduce."

The possible reforms in the constitution were referred to by Pinochet himself in his speech on changes in the cabinet on 15 April. He left it clearly understood that the possibility of changes in the constitution referred only to "improving its provisions, without changing its spirit by one iota, since it constitutes an organic and indivisible whole." On this occasion Pinochet gave warnings which sounded to the opposition rather like threats. He said that the armed forces and the police forces cannot "fail to note legitimately, by virtue of their exclusive powers to ensure the institutional order of the republic, the extreme seriousness which a situation like the one which is taking shape can have for the permanent interests of the nation. That is, that alliances or organized groups, contemporary replicas of the UP [Popular Unity] with new members, might accede to power." In conclusion he stated: "We in the armed forces and the police forces will continue to be the bulwarks for the defense of the principles and values which identify this nation."

The Christian Democratic Party [PDC] replied to General Pinochet on 6 April. The PDC statement read, in part: "The implicit threat that the armed forces could ignore the will of the people in the elections to be held at the end of 1989 is a fact of the greatest seriousness because it openly infringes the very constitution of the regime." The PDC statement concluded, pointing out that "whoever intends to impede, obstruct, or ignore that sovereign decision of the people commits the crime of sedition."

The Essence of the Affair

The real problem then came out into the open. For beyond annoyances or threats—hidden or explicit—the explanations or expressions of support on one side or the other, the question of the real power which the future, civilian government will have is a matter which is not at all clear. Pablo Rodriguez, the nationalist candidate for president, presented the first aspect of the matter on "Facing the Country," the Channel 13 program. He said that his view that General Pinochet should not be commander in chief of the armed forces in the future government was based on that fact that he had been president of the republic and had commanded. After that he could not be a subordinate. The other point is the one mentioned by Pinochet, that the armed forces will continue "watching to ensure that those who seek to exercise political power will be true democrats and authentic defenders of the model of a free society and of human freedom." A complete interpretation of this idea was delivered by General Alejandro Medina Lois, retired, when he inaugurated the sabbatical year of the School of Noncommissioned Officers of the Army. On that occasion General Medina stated that the present constitution contains provisions which identify the armed forces as guarantors of the institutional order, which means "the full recognition of the existence of military power as one more component of national power." The high ranking officer added that if the provisions of the constitution were not complied with, the military authorities would have to consider the situation to determine how to take action to restore the institutional order which had been broken. He said: "This does not exclude coercion or the use of force as the final resort of the nation."

On the same day as the speech by General Medina the army communique was issued. Both statements were replied to by the opposition, which rejected what Genaro Arriagada, a Christian Democratic leader, called "an armed state facing a disarmed, democratic state." The socialist leader German Correa pointed out that the country "is tired of this abuse of powers which, in this case, the armed forces are assuming on their own behalf, regarding what the people's sovereignty is." Meanwhile, Concertacion considered that the intervention of the army in the "national political debate" was a matter of "extreme seriousness."

However, everything indicates that the armed forces will continue to participate in the national political debate and that the opposition parties must consider this aspect of things. As pointed out by sociologist Augusto Varas in his paper presented to the "Conference on Civilian-Military Relationships in Latin America," "the redefinition of civilian-military relationships in Latin America is a crucial aspect of an agenda of democratization. Without this new link between civilians and military leaders, the governability of the regional democracies will be one more utopian dream."

Colombia

Londono Says Noriega Regime Lacks Support

PA1805131689 Bogota Emisoras Caracol Network in Spanish 1215 GMT 18 May 89

[Text] Bogota—Colombian Foreign Minister Julio Londono has said General Manuel Antonio Noriega's regime does not have the true and spontaneous support of the Panamanian people and that is why the Panamanian peoples' will deserves all our support.

At the OAS special foreign ministers meeting, Foreign Minister Londono urged the OAS to defend the Panamanian people. Londono added that although Colombia advocates the peoples' right to self-determination and the principle of noninterference in a country's domestic affairs, Latin America must not remain impassive to the call of a people that is about to lose hope of being able to govern itself through the will of its majority.

Londono added that the people's will alone—regardless of which one it is—deserves our support. We should not turn our backs on those who are desperately clinging to us as their last resort, because they actually have no other choice.

The Colombian statement presented at the OAS special foreign ministers meeting held in Washington yesterday stressed that threats and the use of force will only serve to strengthen the enemies of freedom and democracy.

Fourteen Killed in Bella Vista Jail Riot

PA1905023589 Bogota Inravision Television Cadena 1 in Spanish 0005 GMT 19 May 89

[Text] The authorities have regained control of the Bella Vista Jail in Bello Antioquia, near Medellin, after a riot that lasted almost 5 hours. Inmates tried to escape through one of the prison courtyards using guns and explosives. Security officers managed to control the riot, but the outcome was bloody: According to reports from the police, 14 people—including prison guards and inmates—were killed, while 13 others were wounded.

Reports from the scene say the inmates used rifles and explosives. DAS [Administrative Department of Security], Army, and police units surrounded the prison. Witnesses said shots could still be heard at 1700. The riot began with an attempted mass breakout in the prison's fifth courtyard, but when the situation in that area was brought under control, there were uprisings in other parts of the jail. There had been two previous attempted escapes at this prison, which holds 3,500 prisoners sentenced for violent crimes and is considered the country's most dangerous prison.

The attempted mass breakout began at 1230, when a bomb exploded in the back area of the Bella Vista Jail. Several inmates in courtyard five began shooting at the prison guards and several police officers who were trying to prevent the escape. Fourteen people were killed in the incident—3 guards and 11 inmates.

The rioting also spread to courtyard two. It has not been determined if the shooting began inside or outside the jail. Several police officers were inside the jail at the time investigating the discovery early today of a dynamite stick in courtyard five, and these officers helped stop the breakout.

Quintin Lame Group Presents Peace Proposal

PA1905020389 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 17 May 89

[Text] Conservative Senator Alvaro Leyva Duran has just presented a document containing peace proposals from the Quintin Lame group. Leiva Duran met with representatives of that subversive group during the past weekend near Piendamo municipality in Cauca Department.

The Quintin Lame group emerged as an armed response to the problem of land ownership by Indians in Cauca and Tolima Departments. Now, 40 years later, this group is seeking peace and rapprochement with the government.

The subversive group expressed its desire to join the peace plan promoted by President Barco's government. Senator Leyva Duran made the announcement following a meeting with representatives of that organization near Piendamo, Cauca.

The proposal comes at a time when the M-19 [19 April Movement] is in its second round of talks with the government. The FARC [Revolutionary Armed Forces of Colombia], the EPL [Popular Liberation Army] and the ELN [National Liberation Army] have shown their desire to join the peace process.

For the first time since the governments of [Julio Cesar] Turbay Ayala and [Belisario] Betancur began the peace efforts, the Quintin Lame group has talked about participating in the peace process.

Senator Leyva Duran held a news conference to explain the Quintin Lame group's peace proposal.

[Begin Leyva Duran recording] The Quintin Lame group has expressed its desire to join the peace process while maintaining guerrilla unity. In other words, although it has not specifically accepted the government's peace proposals, it has not rejected peace. On the contrary, it has declared a truce, which, naturally, is another step forward.

I must be clear in stating that the government's peace plan is not the only solution for normalization. I think that this will require an effort from us and from the government. The government's peace proposal is not sacrosanct; if it were, we would be wasting our time. The groups that are joining the process want peace, but they want to discuss procedures and do not want to be restrained. [end recording]

ELN Demands on Oil Pipeline Attacks Rejected

PA1805165589 Bogota Emisoras Caracol Network in Spanish 1215 GMT 18 May 89

[Text] Bogota—The Colombian Government reiterated its clear rejection of the Army of National Liberation's [ELN] recent demands presented as conditions for the cessation of terrorist attacks on the country's oil pipelines.

In addition, the Colombian Army described the ELN, which is led by foreigners, as an insane and senseless organization.

Colombian Energy and Mines Minister Oscar Mejia Vallejos reasserted that the government does not and will not accept any of the ELN demands, because they are out of place and because the nationalization of the oil industry, one of the ELN's demands, cannot be negotiated.

Colombian Army Commander General Manuel Antonio Arias Cabrales described the ELN demands as insane, adding that the ELN only wants to destroy the national economy through its attacks on the oil system.

UP Announces 'Direct Talks' With FARC

PA1805145389 Bogota Emisoras Caracol Network in Spanish 1215 GMT 18 May 89

[Text] Bogota—The Patriotic Union [UP] has announced direct talks with the so-called Revolutionary Armed Forces of Colombia, FARC, to establish if FARC is truly interested in participating in the peace process.

UP appointed Diego Montana Cuellar, its acting president, and Councilman Carlos Romero as UP delegates to meet with the FARC leaders at Casa Verde camp [FARC headquarters].

Two Drugstores Dynamited in Barranquilla

PA1805220489 Bogota Emisoras Caracol Network in Spanish 1215 GMT 16 May 89

[Report by Carlos Garcia Mendoza]

[Text] Barranquilla—Two new dynamite attacks on the La Rebaja drugstore chain has resulted in millions [currency not specified] in damage. Atlantico Department police reported that the two downtown drug stores were simultaneously blown up at around 0100.

This is the fourth attack on the La Rebaja drug stores in Barranquilla.

* Public Polled on Government Effectiveness

33480172B Bogota EL TIEMPO in Spanish 21 Apr 89 p 3-A

[Text] The solution is novel, but countries like France have used it. In effect, De Gaulle called on all political parties as a group to establish a government of national union. It is true that this happened after World War II, when it was necessary to unite the country to rebuild its social fabric and its economy.

With all due allowances made, Colombians feel that they are in a similar situation and that the best way of dealing with the crisis is by dividing responsibilities at the level of ministries and other government departments between the liberal and conservative parties and the Patriotic Union. The government would function better in that way, according to 57 percent of those polled. And what do they think of the situation if only the two, traditional parties together held power? For 28 percent of those polled, this is the right formula. The liberals only received the support of 15 percent of those polled on the assumption that they were governing by themselves.

Conservatives were more favorable to this solution of a national union government (57 percent) than liberals (45 percent). Far from being reticent about the test of fire of governing the country, there were many supporters of the Patriotic Union (82 percent) who would like to see their party governing the country together with the liberals and the conservatives. The middle class most strongly believes that the government would function better by giving participation to the other parties (59 percent). The upper class is the most reticent about this possibility but still supports it by 48 percent.

Everything leads us to believe that Colombians do not see very clearly how this solution of a national union government would work. However, those polled supported it in four areas as the government which is most suitable for the country: to make peace (67 percent), to handle international relations (60 percent), to achieve economic growth (62 percent), and to achieve social justice (64 percent). For an exceptional situation an exceptional fact: in all social strata and in all political tendencies there is a net majority in favor of this solution.

What those polled definitely do not accept is that the party which wins the election should govern by itself. The party which loses, 86 percent of those polled thought, should still participate in the government. On this point there is unanimity of view between liberals, conservatives, and supporters of the Patriotic Union party.

After looking at the results of this survey, we conclude that the present situation, with its government-opposition balance as practiced by President Barco, is not supported by those polled. Thus 61 percent of those surveyed consider that the results of this balance have been "negative for the country," while only 28 percent thought that they have been "positive."

When this poll was taken on 15-16 April, public opinion was already aware of the military action taken against the gangster schools and the speech of the president of the United States. However, that still did not make much of a difference: 59 percent of those polled believe that the country is "worse off" than it was during the National Front period. The conservatives (70 percent of them voted in this sense) have little regard for Virgilio Barco. However, among the liberals 53 percent also thought that the balance sheet of the government program shows negative results for the country. In the view of 25 percent of the whole sample Colombia is about the same now as it was prior to the Barco administration, while 15 percent think that the situation has improved.

The opposition to the present scheme of government does not imply any general nostalgia for what was the National Front. About 54 percent do not want to return to that system of government, while 46 percent would like to return to it. Does that contradict other aspects of the poll? It could be.

Basically, the polls shows that Colombians, worried about the crisis which the country is going through, do not follow the logic of the present, electoral system. They want national union but without a National Front. They may be liberals, conservatives, or supporters of the Patriotic Union. However, 72 percent of the sample say that they are prepared to vote for a president who is not from the party which they support. They are opposed to having a single party in government. However, 80 percent state that, within such a system, the other party may keep all of its rights and opportunities. They are opposed to divisions in the country and they feel that the country which, as a whole, is going through a crisis, should consider the various formulas available to resolve the crisis.

Paraguay

Foreign Minister Departs for OAS Meeting

PY1605124689 Asuncion EL DIARIO in Spanish 17 May 89 p 13

[Excerpt] Foreign Minister Luis Maria Argana has traveled to Washington to participate in the extraordinary meeting of the OAS, which as of today will debate the Panamanian problem. The self-determination of peoples and the non-interference in the internal affairs of other countries will be the points upon which the Paraguayan position will be based. [passage omitted]

Foreign Ministry Communique on OAS Meeting

PY1805204989 Asuncion RPC Television Network in Spanish 1600 GMT 18 May 89

[Foreign Ministry press communique released in Asuncion on 18 May—read by announcer]

[Text] The Paraguayan delegation has signed an OAS resolution designating a mission comprised of the Ecuadoran, Guatemalan, and Trinidad and Tobago foreign ministers, under the guidance of the OAS secretary general, to promote urgently a formula of agreement to solve the Panamanian issue and ensure the transfer of power with total observance and respect for the Panamanian people's will, within a democratic mechanism, and in the shortest possible time.

The communique adds that the Paraguayan decision is based on the understanding that the resolution confirms the principle of self-determination and nonintervention in the domestic affairs of nations. The decision also recognizes the sovereign right of the Panamanian people to decide their future in accordance with the rule that nations have the right to elect their authorities through free, clean, and democratic elections that guarantee basic human rights in a regime of individual freedoms and social justice.

The cable [not further identified] is datelined 18 May and was issued in Washington, D.C.

Four Towns To Repeat General Elections

PY1805234889 Asuncion EL DIARIO in Spanish 18 May 89 pp 4, 5

[Text] It has been established that on 4 June there will be general elections in four towns in the interior. A congressional ruling annulled the results of the 1 May elections in these towns, alleging there were irregularities that hindered a free election process.

Through the Interior Ministry, the executive branch yesterday issued Decree No 135, which calls on all citizens in the electoral districts of Horqueta, Primer de Marzo, San Jose Obrero, and Mayor Martinez to hold general elections for president and Congress members on 4 June 1989.

Now that the date for the elections in these towns has been established, the Electoral Board must adopt the necessary measures so the elections will be held in keeping with the laws.

These election results may affect the current configuration of the minority blocs in the Senate and the Chamber of Deputies. Depending on the election results some opposition parties like the PLRA [Authentic Radical Liberal Party] and the PFR [Revolutionary Febrerista Party] may either win or lose seats in Congress.

In view of this, opposition parties are carrying out intensive election campaigns in these towns to try to obtain more votes. However, other opposition parties, such as the Radical Party, are not interested in campaigning because they claim to have their Congress seats assured.

The same is true of the Colorado Party, whose leaders will not campaign, although they urge local party members to go to the voting stations and cast their ballots again.

Government sources have said that all the necessary measures will be taken to guarantee the normalcy of these elections so as to avoid the abnormalities that resulted in the annulment of the 1 May elections. About 25,000 people of the four towns will vote on 4 June.

Peru

Mantilla Denies Existence of 'State Terrorism'

PY1805142889 Lima Domestic Service in Spanish 1040 GMT 18 May 89

[Text] Interior Minister Agustin Mantilla has categorically denied the existence of paramilitary groups or state terrorism in Peru. He said that such rumors are promoted by magazines serving as mouthpieces for subversion.

In reference to the Rodrigo Franco terrorist commando, the interior minister said he could not deny its existence because some attacks have been claimed by the group's spokesmen. This is why, the minister added, the national police continue their efforts to arrest the members of this terrorist gang and all murderers.

Mantilla said that the mission of the Interior Ministry and the national police is to establish order, to see that the law is obeyed, to reestablish peace in Peru, and to fight all criminals who raise arms against the country.

According to the interior minister, subversives, drug traffickers, and members of armed gangs are all classified as criminals. They must be identified, arrested, and brought to justice, he added.

'Terrorists' Kill Research Institute Director

PY1805150789 Lima Television Peruana in Spanish 0100 GMT 18 May 89

[Text] Alleged terrorists this morning killed Abelardo Ludena Luque, director of the scientific research institute of the national engineering university, who was murdered in a cowardly fashion at the door of his home in the La Capullana residential sector. Eyewitnesses said four men killed the professor.

A new victim of terrorist madness, Ludena Luque, a 44-year-old engineer, was murdered treacherously at 0802 by four heavily armed, unknown individuals. The victim was in his car preparing to leave for his office when four men shot him at point-blank range with 38-caliber pistols. Ludena Luque was hit in the forehead, back, and right wrist. Eyewitnesses said the victim had tried to return to his house while the shooting continued, but a final shot killed him a few meters from his home.

It has been reported that the terrorists left signs written in red saying: This is how the servants of socialism and imperialism will die. The terrorists escaped.

Ludena Luque is survived by his wife and two daughters.

Economy Officials Resign; Envoy Confirmed

PY1805035289 Lima Television Peruana in Spanish 0100 GMT 18 May 89

[Text] The Economy and Finance Ministry has accepted the resignations tendered by Vice Finance Minister Maria Jesus Gamarra de Fernandez, Vice Economy Minister German Suarez Chavez, and Economy and Finance Ministry advisers Eduardo Alegria Rios and Maria Elena Juscamaita Aranguena.

Today, the Senate confirmed the appointment of Dr Javier Pulgar Vidal as Peruvian extraordinary and plenipotentiary ambassador to Colombia.

4 Supreme Court Judges To Be Impeached

PY1805150089 Lima Domestic Service in Spanish 1040 GMT 18 May 89

[Text] For the first time in Peruvian history the National Congress has approved a motion to impeach four Supreme Court members. The judges involved acquitted drug trafficker (Persiles Sanchez Paredes). Judges Hector Luis Beltran Rivera, Leonidas Barcello, Sinclair Seminario, and Luis Portugal have been suspended, and the national prosecutor will formally request their impeachment before the Supreme Court of Justice.

Venezuela

Caracas Reportedly 'Deserted' During Strike

PA1905035689 Caracas Venezolana de Television Canal 8 in Spanish 0016 GMT 19 May 89

[Text] The country awoke today wondering whether workers would support the nationwide strike called by the Confederation of Venezuelan Workers [CTV] from 0600 to 1800. In effect, the day was characterized by paralyzation. Here in Caracas, our reporters confirmed the success of the CTV strike.

[Begin Martin Pacheco recording] Caracas turned into a deserted city today when its inhabitants obeyed the CTV's call and stayed home. In contrast with its usual daily bustle of men, women, children, and heavy traffic, Caracas was absolutely calm and silent today. Workers unanimously supported the labor unions' call for a national strike by remaining in the quiet of their homes. The few vehicles in the streets and avenues of Caracas belonged to security forces, labor union leaders and members, or simply to journalists reporting on the strike. The city's main streets, such as Urdaneta Avenue, Francisco de Miranda Avenue, Andres Bello Avenue, Libertador Avenue, San Martin Avenue, and Baral Avenue—which normally have the greatest amount of traffic—were completely empty today. From very early this morning, the few people who had to leave their homes for one reason or another found themselves without any means of transportation. Traveling on foot, however, proved to be much more favorable—and healthy, besides.

The Army kept a close watch on state enterprises and maintained strict watch over public facilities, such as the Caracas subway, since early this morning.

The DISIP [Directorate of Intelligence and Prevention Services], the Judicial Technical Police, the Metropolitan Police, and the Transit Directorate have dispatched their units throughout the metropolitan area to prevent any incidents. We must recognize, however, that the CTV has managed to fully control its supporters.

Businesses as a whole closed their doors. Downtown Caracas looks like a giant, sleeping monster. [end recording]

Guyana

Trade Unionists Disagree on Work Resumption Call

FL1705161989 Bridgetown CANA in English 0020 GMT 17 May 89

[By Courtney Gibson]

[Text] Georgetown, Guyana, May 16, CANA—The Guyana Sugar Corporation (Guysuco) on Tuesday reported that two of its factories were grinding sugar cane after trade unionists decided to call off a crippling strike. But in the sugar belt as well as in the bauxite sector there were conflicting reports from unionists on what impact the work resumption call was having.

Guysuco, the state body that manages the sugar industry, said that as of midday Tuesday, two of the eight sugar factories were grinding cane. Four other factories will start grinding Wednesday, Guysuco reported.

Some unions in the seven-member Federation of Independent Trade Unions of Guyana (FITUG) agreed to a work resumption in the sugar and bauxite industries over the weekend, ending a strike that started in early April over higher pay. But on Tuesday trade unionists reported that some FITUG members were against the resumption.

Sources in the bauxite belt told CANA there was a stormy meeting of bauxite workers at Linden, the premier bauxite community 65 miles south of here, Monday night. The meeting was attended by FITUG executive members from the city, including acting President Gordon Todd, Komal Chand, a leader of one of the sugar unions, and press and publicity secretary, Leslie Melville.

According to the sources at that meeting, some persons classified as the "hardliners" within the bauxite unions maintained that FITUG's advice to end the strike was premature and that the conditions were not yet appropriate for an end to the six-week old work stoppage. The hardliners are reportedly insisting that while a package of proposals the company is willing to implement for the benefit of workers is a good one, the government must first agree to increasing wages and salaries substantially in excess of the 20 per cent stipulated in its controversial 1989 budget for public sector employees before there is an end to the strike.

They are also reportedly insisting that the estimated 250 members of the Clerical and Commercial Workers Union—headed by Todd—who were dismissed by four state-owned public corporations for staging a one day strike on April 11 against the effects of the 1989 budget must be reinstated and talks held with FITUG as conditions for ending the strike.

The sources also told CANA that some workers who returned to work Monday, subsequently withdrew their labour, realising that there was "no overwhelming response" to the back-to-work call by the two bauxite unions, the Guyana Mine Workers Union (GMWU) and the Guyana Bauxite Supervisors Union (GBSU).

The reports today indicated, however, that today's response to the resumption call seemed slightly more favourable than yesterday's but attendance is still struggling to top the half-way mark.

The GBSU meanwhile was said to be holding a general council meeting at Linden with union representatives from throughout the bauxite belt attending. The GMWU is scheduled to hold a similar meeting later this week.

Over in the sugar belt, General Secretary of the Guyana Agricultural and General Workers Union (GAWU) Komal Chand, reported that just under 50 per cent of field and factory workers were on the job today and harvesting was taking place on all estates. Chand's report, however, conflicted with an earlier one given to CANA by general secretary of the National Association of Agricultural, Commercial and Industrial Employees (NAACIE), Nanda Gopaul.

Gopaul accused some of his colleagues within FITUG of acting in an undemocratic manner and going against the wishes and instructions of their members. According to Gopaul, the back-to-work call by GAWU in the sugar belt, has been largely ignored by sugar workers and up to today some 80 per cent of them were still on strike.

GAWU officials have explained however that the tradition within the sugar belt is that it usually takes some days after a long strike ends for there to be a full resumption primarily because during a long strike sugar workers usually travel to other areas—including Suriname—in search of work.

GAWU which is linked to the opposition People's Progressive Party (PPP) is the country's largest trade union, representing some 20,000 workers, while NAACIE represents less than 2,000 sugar workers. NAACIE's Gopaul has been one of the most vocal and hardline members of FITUG but both GAWU and Guysuco have been contending that the majority of NAACIE's members have been reporting to work during the six week old strike in the industry. Chand told CANA today, for example, that even during the peak period of the strike only about 300 to 350 NAACIE members remained off the job.

Meanwhile, in a statement issued today NAACIE's Gopaul insisted that "despite the agreed terms of resumption between the GAWU Executive and Guysuco, the majority of the members of that union have not returned to work." He contended further, that in the bauxite town of Linden "the majority of union members have continued to withhold their labour in a virtual shutdown of the industry." And, in seeking to clarify his union's position on the strike, Gopaul said his union's membership had given "clear and unambiguous direction to the executive...that it is unwilling to return to work without some gain being made in the original demands." Gopaul added: "The fundamental obligation of union leadership is to represent its members, while it may give direction or suggest what are the options available, it deviates at its peril from clearcut instructions given by its members. While the unity of FITUG is a goal to be striven for, it cannot be pursued at the expense of democracy. Democracy is the only method available to genuine trade unionism. If as appears to be the case at present, the unions in FITUG, are given different directions by their members, a united FITUG position on the strike may have to take second place for the time being."

Further on 'Differences'

FL1805224489 Bridgetown CANA in English 2036 GMT 18 May 89

[Text] Georgetown, Guyana, May 18, CANA—Executive members of the Federation of Independent Trade Unions of Guyana have been trying to patch up serious differences among the seven unions. They met for more than three hours Wednesday amidst differences over whether a strike in the sugar and bauxite industries over demands for higher pay should be called off.

The strain on the federation's solidarity became evident earlier this week when the National Association of Agricultural, Commercial and Industrial Employees (NAACIE) and the University of Guyana Workers' Union failed to advise their members to end the six week old strike and return to work last Monday.

Some FITUG affiliates complained that the two unions had failed to act in conformity with a democratically arrived at decision unanimously ratified at a FITUG Executive Council meeting last Friday at which both NAACIE and UGWWU were present.

Since the decision to end the strike was taken Friday, the Guyana Agricultural and General Workers' Union, the country's numerically strongest trade union, signed a resumption agreement with the Guyana Sugar Corporation and advised its workers to return to work with effect from last Monday, and more than 50 per cent of the workers have already returned, union officials said.

The two bauxite unions at a stormy joint meeting Saturday, also advised bauxite workers to return to work with effect from last Monday. But this advice was reportedly rejected by a strong and vocal section. Some unionists argued that there should be no resumption until the government agreed to offer the strikers a pay increase over 20 per cent.

In the sugar belt, meanwhile, NAACIE decided against signing a back-to-work agreement with GUYSUCO, and on Tuesday, its general secretary, N.K. Gopaul who is also FITUG's treasurer, issued a statement critical of some of his FITUG colleagues.

He said the strike will continue until there are negotiations on FITUG's original demands and until such time that some 250 CCWU [Clerical and Commercial Workers Union] members who were dismissed for staging a one-day strike against the budget are reinstated.

The union had originally demanded the recall of the 1989 national budget, which included a 70 per cent devaluation of the Guyana dollar and a 20 per cent pay hike it said had been eroded by the new currency realignment.

Suriname

'Terrorists' Blow Up Bridge; 2 Soldiers Captured

FL1805153489 Paramaribo International Service in English 1730 GMT 17 May 89

[Text] Terrorists have yesterday morning blown up the Rikanau bridge on the road between Moengo in Suriname and East Suriname. [sentence as heard] At the time of the explosion, a military vehicle with eight soldiers had just started to make the crossing. One of the soldiers was wounded. Two of the soldiers, including the one who was wounded, were captured by the terrorists. The other six soldiers were [words indistinct] in the area.

Up to news time, our newsroom was unable to get more information about the two missing soldiers.

Pokigron 'Refugees' Arrive in Paramaribo

FL1805190989 Paramaribo International Service in English 1730 GMT 18 May 89

[Text] Approximately 90 inhabitants from the village of Pokigron, which was recently destroyed, have over the weekend arrived in Paramaribo. Some 3 weeks ago these people fled into the jungle after the Brunswijk gang attacked the village. They had hidden themselves in the jungle until recently when they were picked up by trucks which were sent by the government. The refugees had to depend on food from the Red Cross and produce from their land. Most of their belongings were stolen or burned by the terrorists. Some of the refugees are temporarily being housed at the Secretariat of the Sipaliwini [word indistinct] in Paramaribo.

Activist Priest Sees Future 'In Jeopardy'

PM1805081989 Amsterdam DE VOLKSKRANT in Dutch 10 May 89 p 6

[Report on interview with Reverend R. Polanen by Wim Noordegraaf; date and place not given: "People in Politics Are Easily Satisfied"]

[Text] Paramaribo—The Reverend R. Polanen has left Suriname. He will soon settle in the Netherlands as a preacher for the Evangelical United Brethren [evangelische broedergemeente], which began efforts to convert the inhabitants of Suriname to Christianity 100 years ago. Polanen wants to set up an "organization for justice and peace" in the Netherlands, an organization which "must give direction to developments in Surinamese society."

The military police in Suriname brought last-minute excitement to Polanen's departure by dragging the reverend from his taxiing aircraft for questioning. Polanen was not surprised that he was released 8 hours later. "I have always moved in society so as to remain within the limits of the law."

His "organization for justice and peace" has reservations about the Constitution drawn up by Army leader Bouterse, political parties, unions, and employers. The position of the military remains prominent and, according to the reverend, generally accepted basic rights fared badly. But the text was accepted in a referendum, Polanen said, "because the people believed the politicians who indicated that it would be a small matter to amend the Constitution after the elections."

Recently Polanen's organization has been busying itself with the "peace process," which after more or less 18 months of government by the Front for Democracy and Development has still gotten nowhere. Polanen: "From the very beginning no one has been serious about making efforts to bring about peace. There have been no direct talks between the parties fighting each other. There has been no openness.

"I am afraid the longer the conflict goes on, the greater will be the irritation created in the Committee of Christian Churches, which is preparing the way for peace negotiations, in Brunswijk's group, and in the National Army. Some 18 months ago the chances for peace were better than they are now. If all parties do not soon put all unimportant matters aside, the whole thing could go on for many more years. But I cannot rid myself of the impression that the welfare of the people who live in the interior is of absolutely no interest to many people in Paramaribo."

[Noordegraaf] Suriname is again ruled by politicians from the period before the 1980 coup. Discontent is growing. Could there be another coup?

[Polanen] I do not know if that is what we should expect. For some people the current situation is quite comfortable. A small group is becoming very rich. The average citizen is not organized in any way and leaves things to people involved in politics who do not have the vision or competence to guide developments. People in politics are easily satisfied. This also applies to our intellectuals. People are not thorough; there is no dedication. They believe only in things that affect their own little sphere. Sadly, there is little good work done in Suriname.

[Noordegraaf] Last week's general strike was directed partly against the Netherlands because development aid is not being released in the form of cash. Has the Netherlands contributed to the political and economic malaise?

[Polanen] The stagnation of the past few years is due primarily to the fact that not enough work is done in Suriname. In terms of performance alone, if everyone were to work for the 8 hours he is assumed to be working, Suriname would already look a great deal better. The problem is not simply the lack of money. Suriname's problem is more ethical than economic. If churches, trade unions, and political parties do not get to work on this, all efforts will be in vain, and all development aid will end up in a bottomless pit.

[Noordegraaf] Have you been disappointed in the Front government since the elections?

[Polanen] I am very disappointed. I find a certain principled approach lacking when it comes to fundamental rights. The government declaration was a collection of vague phrases, good intentions, and fine words. Choices were not made. These were supposed to come in the policy papers of the various ministries, but they have never appeared. Nor do most political parties have a program of principles. They all seem liberal, but in fact that is not the case.

They take as their point of departure what people in the 19th century called the utilitarian principle: doing what is necessary at this point in time. But even that does not happen. There seems to be neither a long-term nor a short-term plan. That is why things simply remain up in the air.

Many people who have been involved in politics in the last 40 years would do better simply to quit. The young intellectuals in each party must be given a chance. But no one listens to them. The political parties in Suriname talk about democracy but are not democratic. There is no democracy, even in Parliament. Chairman Lachmon has absolute power. He decides who may and may not speak. Parliament does not decide what the government must do but attempts to justify what the government has already done.

[Noordegraaf] What sort of Suriname have you left behind?

[Polanen] Political life has failed. People are organized in trade unions which are often concerned only about short-term successes. But the unions are divided. On central issues they are unable to reach agreement. This, coupled with an economy which produces little and consumes much, means there is little hope of prosperity for this country. The population is very young. If we remember that there must be an additional 7,000 jobs every year, I greatly fear that the future of the country is in jeopardy.

Arron Denies NPS Structures 'Undemocractic'

FL1805163089 Paramaribo International Service in English 1730 GMT 17 May 89

[Text] The chairman of the National Party of Suriname, NPS, Henck Arron is of the opinion that there are enough structures in the party to insure freedom of expression. Arron made this disclosure during an interview with journalists during which he reacted to statements made by the Committee for the Restoration of Democracy in the NPS.

During a meeting last Sunday [14 May], (?seven) members of the committee declared that the structures within the NPS are undemocractic and called for the resignation of Arron as chairman of the party. According to Arron, this matter will be clarified when the party congress reconvenes on May 28.

Country To Pay $1.5-Million Airline Debt

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[Text] Suriname will pay off a $1.5-million debt which it owes to the Antillean Airlines, ALM. This has resulted from talks which an Antillean delegation headed by Trade, Industry, and Labor Minister (Juanita Smits) [title as heard] held in Suriname.

(Smits) met with the minister of economic affairs and with the director of the Central Bank. Apart from reaching agreement on the repaying of the money, the two ministers also exchanged views on the strengthening of economic relations and the promotion of tourism.

Shortly, a new airline agreement between Suriname and the Dutch Antilles will be signed.

The Antillean delegation left Suriname today.

Cost of Living Increased 7 Percent in 1988

FL1805163689 Paramaribo International Service in English 1730 GMT 17 May 89

[Text] Last year the cost of living increased by 7 percent. This was stated yesterday by the General Bureau of Statistics. The inflation rate indicates the change of price in a given year compared with the previous year.

In 1987 the average price increase was about 54 percent. The statistical bureau said in a press statement that the methods used in calculating the inflation rate is reliable and gives a clear picture of the price increases in the past years.

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